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NEWS SUMMARY

GENERAL IRA rejects Pope's pleas ... BUSINESS Gilts fall 0.47; Equities firmer ... Top driver on homicide charge ... Speed SALT call ... Zimbabwe protest ... Home prices slow ... Oil embargo talks ... Benefits tax move ... Brabourne home ... Briefly ... COMPANIES

IMF meeting expects U.S. monetary curbs

Further tightening of U.S. monetary policy is now widely expected in the wake of the continued volatility of both foreign exchange and bullion markets. Mr. Paul Volcker, chairman of the Federal Reserve Board, flew back to Washington three days early yesterday morning for the annual meeting of the International Monetary Fund...

Gold and currency prices fluctuate wildly

THE PRICE of gold and most of the world's major currencies fluctuated wildly yesterday. Price movements provoked comments and rumours arising out of the IMF annual meeting in Belgrade which, in turn, had their impact on prices. The uncertainty was such that the afternoon gold price fixing in London took 1 hour 39 minutes...

U.S. plans to cut car production

THE U.S. CAR industry plans to cut production sharply in the last three months of the year—evidence that hopes for a revival in car sales are fading as the economy weakens. The car companies plan to build slightly more than 2m vehicles between October and December...

Reserves fall by \$554m

THE UNDERLYING level of Britain's official reserves fell last month by the largest amount since spring last year. The fall suggests that there was substantial intervention by the Bank of England to steady the exchange rate when sterling fell rapidly in the middle of September...

Wounding defeat for Callaghan

THE LABOUR Party conference inflicted a wounding defeat on Mr. James Callaghan and party moderates yesterday when it voted for the mandatory re-selection of MPs in each Parliament. Another significant vote affecting future control and direction of the Labour Party comes today. Conference is to decide whether the manifesto should be drafted by the National Executive Committee...

What's going on down under?

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CONTENTS table listing sections like Telecommunications, Gardens today, Lombard, etc.

CHIEF PRICE CHANGES YESTERDAY table listing price changes for various commodities and financial products.

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EUROPEAN NEWS

Schmidt, Giscard call for speedy SALT approval

BY ROGER BOYES IN BONN

HERR HELMUT SCHMIDT, the West German Chancellor, and President Valéry Giscard d'Estaing of France yesterday jointly called for the speedy ratification of the Strategic Arms Limitation Treaty (SALT II) and stressed that the presence of Soviet troops on Cuba should not hold up the pact.

Discussions, which also included Herr Hans Dietrich Genscher, the German Foreign Minister, and M. Jean Francois-Poncet, his French counterpart. The vexed question of the contribution by Britain and Italy to the European Community budget, which was discussed by the two leaders, appears to have been put on ice, at least until both Mrs. Margaret Thatcher, the British Prime Minister, and Sig. Francesco Cossiga, the Italian Premier, have visited Bonn later this month.

The problem for Germany has been how to balance its apparently genuine desire to reduce Britain's disproportionately high Community contribution with domestic policy considerations. The cutting of expenditure on the common agricultural policy could for example cause difficulties for the Government with the influential farmers lobby. Nonetheless, Herr Schmidt stressed yesterday that Bonn and Paris were anxious to discourage agricultural surpluses within the Community.



Chancellor Helmut Schmidt (left) and President Giscard d'Estaing... broad agreement in Bonn.

Pressure for new Swedish government

By William Dufforce in Stockholm

SWEDEN'S three non-Socialist parties came under growing pressure yesterday to speed the formation of a Government.

Mr. Ingemund Bengtsson, newly-elected Speaker of the Riksdag (Parliament), called in the party leaders, while the trade unions announced they could not formulate their wage demands in the "total political uncertainty."

Mr. Ola Ulsten, Liberal Party chairman, said after a meeting with the Speaker that the non-Socialist leaders had reached agreement "in principle" on an economic policy during three-hour talks on Monday night. But they have yet to decide who shall be Prime Minister, and Mr. Ulsten could not say how long it would take to settle other outstanding issues.

The Council of the LO, the blue-collar workers' union federation, yesterday approved the general strategy to be adopted by its negotiators in the forthcoming talks with the employers over a long-term national wages settlement.

Its goals include a new minimum wage common to both blue-collar and white-collar workers and an agreement that part-time workers shall work for not less than 20 hours a week and not more than five days a week.

In a pessimistic statement after its council meeting, the LO said strong and even hurtful measures were needed to put the Swedish economy back on its feet.

Yugoslavia prices The price freeze imposed in Yugoslavia in early August has been partially lifted, with the decision of the Government to allow certain price increases for goods and services regulated by the federal authorities, writes our Belgrade correspondent.

French N-plants go ahead despite fears on safety

BY TERRY DODSWORTH IN PARIS

THE FRENCH electricity generating board, Electricité de France, has decided to start bringing into operation two new nuclear power stations despite continuing trade union protests about faulty metal components in the plants.

The Industry Ministry had earlier given the go-ahead for the projects, saying it had undertaken a particularly detailed study of the safety factors in the two power stations during the last few months.

While admitting that there are cracks in certain key reactor components, the ministry's safety inspectorate says they present no "immediate risk." The cracks, up to 7 mm deep in material 30 cm thick, will have to be "ten times deeper to cause a break."

Loading of the first reactor with enriched uranium is due to start today at the Gravelines site, and later this week at Tricastin.

In spite of the authorities' statements, the two main trade unions in the industry, the Communist-led CGT and the Left-wing CPDT, insist that they have not received sufficient assurances on safety. It was they who brought the issue into the public eye about two weeks ago.

The cracks have been noticed in two places which would be exposed to radioactive materials in an operating station. The first is in tubes leading from the reactor, and the second in a plate adjoining the electrically generating turbines.

Inspections have revealed the faults in the components still in the factory, an operation under construction and in reactors ready to go into operation. But it is also thought that a number of stations already in use may have similar cracks which cannot be detected.

Machines are being developed by the authorities to inspect the cracks and undertake repair work by remote control in the radioactive areas. These robots should be ready within the next two years.

Norwegian liquidity tightened

OSLO — Commercial banks have persuaded the Bank of Norway to accept a liquidity-tightening measure, which will save the banks Nkr 108m (£10.15m) a year, a spokesman for the Norwegian Banking Association said.

Last month, the central bank proposed that from today the primary reserve requirements for commercial banks in south Norway should be raised to 7 per cent from 4 per cent and for banks in north Norway to 4 per cent from zero.

In a counter-proposal, the banks asked for authorisation to buy the central bank's three-month special money market paper for a total Nkr 2.8bn (£263m), the spokesman added.

This sum equals the liquidity-tightening impact that would have resulted from the proposed increase in primary reserves, he said.

Slow growth forecast for Swiss economy

BY JOHN WICKS IN ZURICH

SWITZERLAND'S ECONOMIC growth is likely to continue to be slow this year and to show only a slight acceleration in 1980, according to a report prepared by the Zurich-based Federal Polytechnic.

This follows a recent Government statement that the Gross National Product rose in real terms by only 0.2 per cent last year.

The Federal Polytechnic's Institute for Economic Research

forecasts a rise in gross domestic product of some 0.5 per cent in real terms this year, and of about 1.4 per cent in 1980.

While the price-adjusted growth rate for private consumption is expected to pick up from 1.2 per cent this year to 1.6 per cent in 1980, public spending is expected to keep to this year's estimated increase rate of only 1 per cent.

The growth of construction investment is expected to fall

from 5 per cent in 1979 to only 1 per cent in 1980, due largely to a slow-down from 13 per cent to only 1.2 per cent in real terms in the rate of increase in housing investment.

Expenditure on plant and equipment, however, should rise by 5 per cent this year and 5.2 per cent next, exclusive of price increases.

With regard to foreign trade, the institute awaits an increase in exports of some 1.7 per cent in real terms in 1979, and 3.8

per cent next year. While invisible exports are likely to fall, at 1970 prices, by 3.9 per cent this year and show a minimal 0.1 per cent rise in 1980, commodity exports are expected to grow by 3 and 4.4 per cent respectively.

Imports will probably show a faster growth rate in real terms, namely of 3.7 and 3.8 per cent for the two years, both invisibles and goods imports increasing in volume.

Talks fail to ban napalm and landmines

BY BRIJ KHINDARIA IN GENEVA

AN 80-NATION conference aimed at banning the use of weapons such as napalm, booby traps and fragmentation bombs broke up late last month without an overall treaty, after disagreements on how far such bans should go. Negotiations are unlikely to resume soon.

Delegates generally agreed, however, that civilians and cities or other concentrations of civilian population should be protected against the use of such weapons, which are described as "excessively injurious."

One of the thorniest points was the role of guerrillas fighting in national liberation movements in Africa and other parts of the world. Developing countries backed

by the Nordic States insisted that such guerrillas should be treated as being on par with civilians, or at least be given the rights to protection usually accorded to regular soldiers.

The U.S. showed itself ready partially to go along with that view, and suggested that the starting-point for talks should be a deal worked out in Geneva two years ago in separate negotiations, to update the 1949 Geneva Conventions about the conduct of war and treatment of prisoners.

Under this deal, national liberation movements are treated on a par with regular armies, provided they, along with the wars they conduct, are recognised as being legitimate by the UN General Assembly. Almost all the Western coun-

tries, apart from the Nordic States, did not ratify the deal contained in a protocol added to the 1949 Geneva Conventions.

The treaty negotiations, dealt with three main kinds of conventional weapons — booby traps and landmines, incendiary weapons, and bombs that throw out fragments which cannot be detected even by x-rays.

While there was general agreement on banning the use of fragmentation bombs, delegates failed to define the meaning of incendiary weapons. Most of the militarily stronger nations insisted on retaining the freedom to use napalm against civilians as well as soldiers.

A ban on the use of napalm would severely limit the ability of armies to attack military

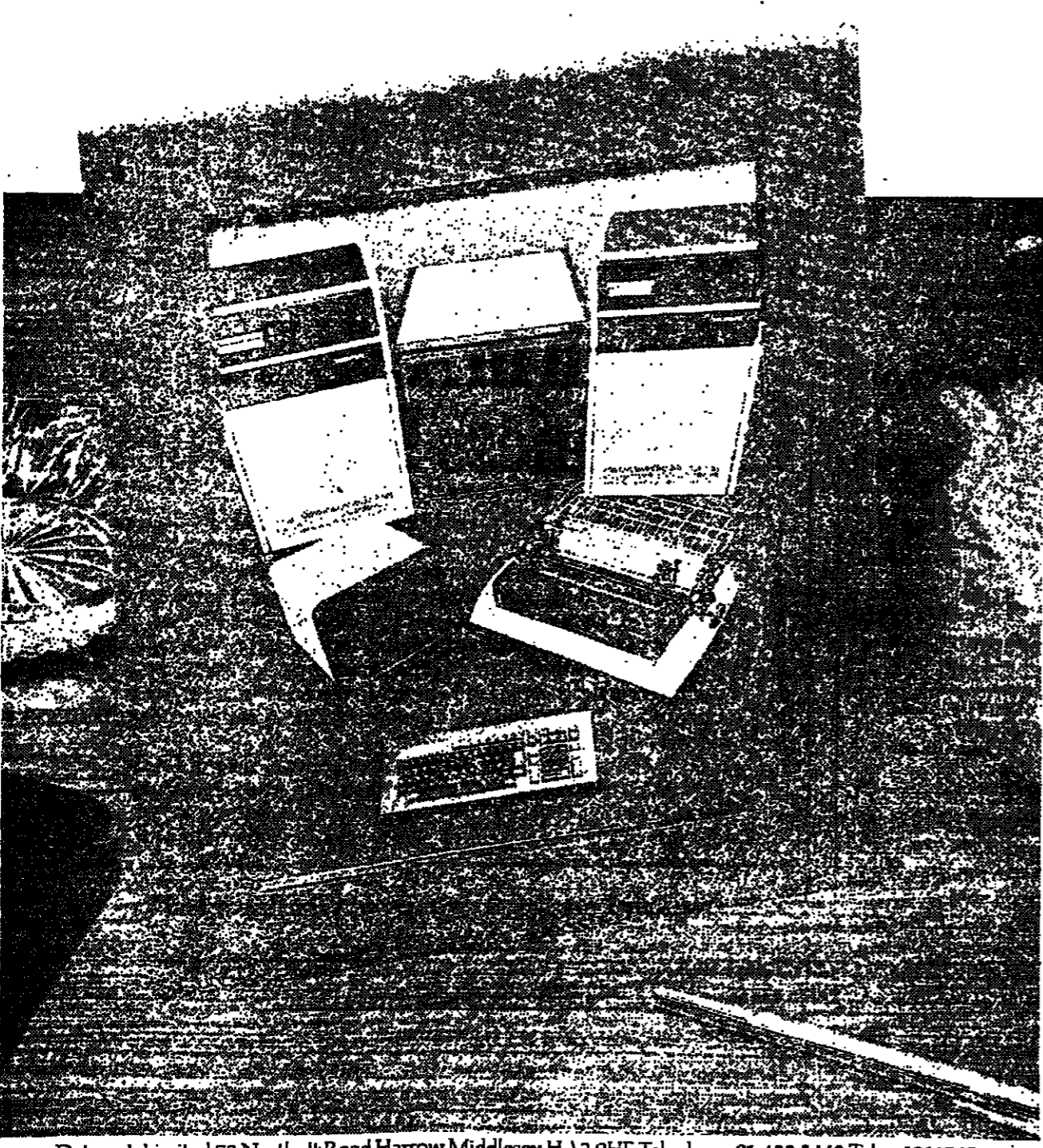
targets located in or near cities and to dislodge soldiers dug into fortifications. The U.S., for example, used napalm to bring Vietnamese soldiers out of underground tunnels during the Vietnam war.

Delegates agreed on a ban on converting innocent objects such as toys into booby traps, but dispute grew over the use of landmines.

The Nordic countries wanted a pledge that troops laying mines would keep a precise record of their location and either render them harmless or report them to appropriate civilian authorities after the end of conflict.

But several countries felt that, under certain conditions the obligation to report should not be binding.

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# Gonzalez looks to broaden party's appeal

By Robert Graham in Madrid

THE WEEKEND special congress of the Socialist party has confirmed that Sr. Felipe Gonzalez is the party's major electoral asset.

His conduct since resigning the leadership over ideological differences at the May congress has enhanced his national standing.

By being confirmed in the leadership with overwhelming support, and at a time when Prime Minister Adolfo Suarez looks weak and indecisive, Sr. Gonzalez emerges more and more as the right kind of material for a future Premier.

Yet the congress has not satisfactorily resolved one key question—does Sr. Gonzalez have the right kind of party to lead him to power?

However, the electorate remains puzzled as to what the party represents—or rather, what it seeks to represent. Sr. Gonzalez and his associates on the new executive are moderates and pragmatists.

Although the party officially sets out to represent the interests of the workers, one look at the delegates attending the conference shows the decision-makers to be fundamentally middle-class liberals and intellectuals.

# Productivity threat to E. Europe growth rate

By Brij Khindaria in Geneva

THE RATE of economic growth in Eastern European countries could fall by more than half, to 0.7 per cent annually for the years 1976-1990, down from the 1.9 per cent achieved between 1976-1990.

This could happen if the governments fail to raise labour productivity, according to a report by the International Labour Organisation (ILO).

Labour productivity has fallen in the East, because governments aimed at using labour-intensive production methods to create jobs instead of aiming at using workers more efficiently.

The organisation is a specialised agency of the United Nations dealing with world labour problems. It is the only UN body which includes representatives from employers and workers' groups as well as governments.

Severe labour shortages have begun to appear in Eastern European countries because of falling birth-rates and fewer women wishing to work. Older people are also no longer seeking jobs after retirement because of better social security benefits, the report says.

The troubles have occurred because the system of State-owned enterprise reduces opportunities for innovations and puts a brake on labour productivity by stifling incentives, it adds.

Eastern Governments should allow a larger role for market forces and reduce wastage of working time by improving management, tightening workers' discipline, modernising production methods, and using machinery and workers' skills more fully.

The report's criticism of State-owned enterprise and Eastern European management methods should win sympathy from the staunchly anti-Communist AFL-CIO trade union conglomerate in the U.S., which strongly supported U.S. withdrawal from the ILO three years ago. The U.S. withdrawal cut the ILO's budget by 25 per cent, seriously affecting its work.

At present, the AFL-CIO is reconsidering its opposition to U.S. membership

# Dire forecast for Danish economy in 1980

By our Copenhagen correspondent

DENMARK FACES stagnating output, a fall in private consumption and investment and rising unemployment in 1980, according to a report by the three joint chairmen of the Economic Advisory Council.

The current balance of payments deficit will increase from Dkr 8bn (\$1.6bn) in 1978 to about Dkr 14bn (\$2.8bn), this year and Dkr 13.2bn (\$2.6bn) in 1980, says the report.

Meanwhile in a statement at the opening of the new parliamentary year, Mr. Anker Joergensen, the Prime Minister, called for radical changes in economic policy.

He pressed for long-term measures to control incomes, prices and profits and said that the gradualist, periodic policy corrections of the past are no longer sufficient.

It was the Prime Minister's valedictory policy statement before the Folketing (Parliament) is dissolved and an election held on October 23.

The Economic Advisory Council chairmen forecast that gross domestic product

this year will rise by 2.2 per cent but by only 0.3 per cent in 1980. Higher oil prices and increases in indirect taxes imposed by the Government in June will both contribute to stagnation in domestic demand.

Private consumption next year they expect to fall by 1.4 per cent after rising by 0.3 per cent this year. Business investment next year to fall by 2.0 per cent after an increase of 0.9 per cent this year, housing investment to decline by 4.5 per cent this

year and 8 per cent in 1980, and public consumption to rise by 5 per cent this year and 2.4 per cent next year.

Export growth is forecast to be cut from 4.2 per cent this year to 2.8 per cent and imports from an increase of 3.2 per cent to a fall of 2 per cent in 1980.

Unemployment should rise from an average this year of 138,000 (6.5 per cent) to 158,000 (7.5 per cent). Average hourly wages are expected to increase by 10.3

per cent this year and 11.5 per cent in 1980 and consumer prices by 2.0 per cent this year and 10 per cent in 1980.

Looking further ahead, the report says that if policy is not changed the current balance of payments deficit will soar to Dkr 27bn (\$5.4bn) in 1982, but if other countries curtail demand more than expected in response to the oil situation, the deficit could fall to Dkr 16bn (\$3.2bn) while unemployment would exceed 200,000.

feasible, but it is difficult to see how this could resolve the problems arising from the Social Democratic ties to the union movement.

No one denies that the economic situation requires radical solutions. Unemployment is expected to average about 6.5 per cent this year and to rise in 1980. The balance of payments on the current account has been in deficit each year since 1963 and the net foreign debt by the end of this year will be about Dkr 76bn (\$15bn), roughly 20 per cent of Gross Domestic Product.

The current deficit this year will increase from Dkr 8bn (\$1.6bn) in 1978 to Dkr 12.15bn (\$2.43bn) in 1980, and all forecasts predict a substantial increase in the deficit next year.

Despite a relatively moderate collective wage settlement in the spring, wage rates so far this year appear on preliminary evidence to have risen by about 1 per cent a month. Consumer prices rose by 12.3 per cent in the 11 months to August.

These problems have been made much more difficult to cope with by oil price rises, which will not only increase the trade deficit but, because wages, salaries and social security benefits are indexed, will mean that higher import prices are passed on as higher wages.

The habit of doing nothing effective to curb the external deficit and borrowing heavily abroad caused Mr. Erik Hoffmeyer, the Central bank governor, to write in an article last week: "It is no wonder that people abroad are increasingly critical and that the expression 'irresponsible' is becoming widespread."

Remarks like this reflect the feeling that unless something effective is done to curb the

# Unions hold the key to general election

By Hilary Barnes in Copenhagen

Party, with 26 out of 179 seats, is regarded by the other parties of the Right and Centre as too irresponsible and unreliable to enable them to form a Government which would need to rely on Progress Party support.

On the Left there is a similar problem. There are three extreme parties: the Socialist People's Party, the Communists and the Left Socialists (a fourth, the Communist Worker's Party, will contest the election). The Social Democrats neither can nor will form a Government based on the support of these parties.

The election is not expected to bring about any fundamental change. The Progress Party may lose a few seats and the Leftist parties make a few gains, but the balance between the Social Democrats and the moderate Right will change only slightly.

The Liberals, Conservatives, Christian People's Party and the Centre Democrats are campaigning for the formation of a non-Socialist Government. But although the Conservatives appear willing to accept that it should be based on the tacit support of the Progress Party, the other parties are cautious about accepting this premise, and the radicals, who traditionally are allies of the Social Democrats, will certainly not support such a Government.

A Social Democratic minority Government may well be the outcome of the election therefore, although a non-Socialist minority Government, possibly as a Liberal minority Government, is also a possibility.

Some observers also think that several of the non-Socialist parties, such as the Liberals, Radicals and Conservatives, is

but now more broadly based, have throughout this century been the Social Democratic Party's main rivals for power.

Mr. Joergensen relied on the fact that, because there is no natural majority of Left or Right in the Folketing, the Coalition would be more stable than his previous Social Democratic Party's minority Administration and would be able to pursue a long-term economic policy. A key factor in his thinking also was that the SDP parliamentary group would be better placed to resist the demands of an increasingly politicised trade union movement.

It is perhaps hardly surprising if the unions were from the start opposed to the Coalition, but matters were made considerably worse by the fact that Mr. Thomas Nielsen, the union movement chairman, notoriously harbours "a deep personal hatred" (to quote one of Mr. Joergensen's closest Cabinet colleagues) for Mr. Joergensen, which makes co-operation extremely difficult between the trade union movement and the party, the twin pillars of the union movement.

But the Coalition did not increase the party's freedom of manoeuvre. When it became clear last week that Mr. Joergensen could not obtain agreement on economic policy except on terms which would involve a new show-down with the unions' annual congress later this month, he threw in the towel.

The parliamentary problem is that since 1973 there have been 11 parties in the Folketing and there is no working majority on either Left or Right.

On the Right, Mr. Mogens Glistrup's tax revolt Progress

external deficit soon the country will begin to find that it cannot borrow on the 100-year terms which it has so far always enjoyed.

The Liberals and the SDP accept that an incomes freeze on wages, dividends and other incomes is the best solution, but the latter will not impose a freeze without the prior support of the unions.

The scheme for wage-earner co-ownership which the unions and the Social Democrats have jointly put forward as their joint programme for an incomes freeze is based on the transfer of 10 per cent of corporate profits to a union-controlled investment fund, which would raise the money in companies as equity capital.

But the scheme has no chance of gaining industry backing in the current talking.

# Singapore Bus Service ahead

By our Singapore Correspondent

SINGAPORE BUS Service (1978) bus reported post-tax profit of \$5.1m (U.S.\$ 2.37m) for the half year ended June 1979. Turnover for the six months was \$807.6m (U.S.\$ 50m). No comparable figures for the corresponding period of 1978 were available as the company started business in April last year, taking over from its predecessor as a result of a capital reconstruction.

Singapore Bus disclosed that it incurred an operating loss in July and August this year as a result of increases in diesel price and wages. However, with the upward revision in bus fares from last month, the group expects full year profits to be satisfactory.

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OVERSEAS NEWS

# Arab summit 'to discuss selective oil embargo'

BY IHSAN HIJAZI IN BEIRUT

THE FORTHCOMING Arab Summit conference will discuss the enforcement of a selective oil embargo in support of the Arab political cause, Dr. Saadoun Hammadi, Iraqi Foreign Minister, was quoted as saying here yesterday.

In an interview in An Nahar, Lebanon's leading daily newspaper, Dr. Hammadi pointed out that this was not only the Iraqi view but also that of several Arab oil-producing countries. He did not name them.

The next Arab summit is due next month, a year after Arab heads of state met in Baghdad and formulated a common strategy opposed to the Camp David accords between Egypt and Israel.

The Lebanese Government

has been pressing for an earlier summit because it wants a joint Arab stand on the Palestinian-Israeli confrontation in South Lebanon. Dr. Selim Al Hoss, Prime Minister of Lebanon, is to visit Jeddah on Saturday to try to host the projected summit meeting.

Dr. Hammadi was quoted as saying: "We have friends in the world who need to have their energy requirements ensured. We must provide them with what they need and expect to have their support where our political cause is concerned."

"As for our enemies, we must give them an opportunity, and if they fail to take it, then they must be punished where oil supplies are concerned. There is nothing that says we must help our enemies when

they do not help us."

Dr. Hammadi's remarks made in New York where he is attending the United Nations General Assembly, came only two days after Col. Muammar Gaddafi of Libya said his country and Saudi Arabia ought to use their oil wealth and bank deposits in the U.S. and other Western countries as a weapon to serve the Arab and Palestinian cause.

In the same interview, Dr. Hammadi indicated that Iraq's relations with neighbouring Iran were strained. The revolutionary leaders in Tehran had become "conceited" and wanted to export their revolution.

In an interview with the same Lebanese newspaper, Dr. Mustafa Chamran, Iran's new Defence Minister, denied this

# Phnom Penh gives relief operations go-ahead

By Richard Nations in Bangkok

PHNOM PENH yesterday announced the conditions it has laid down for the Red Cross and United Nations Children's Fund (UNICEF) to begin the large scale relief operation to starving Cambodians stalled by two months of political manoeuvring.

The fact that the Heng Samrin Government has made public agreement with the international agencies is taken by observers here as a sign that Phnom Penh is finally committed to allowing the operation to begin.

But observers here cautioned that the ambiguous statement has reserved Phnom Penh enough options to halt the relief effort if it proves to the regime's military or political disadvantage.

Representatives of both the Red Cross and UNICEF were called into the Foreign Ministry in Phnom Penh on September 26 and informed first that plans for the future relief must be submitted in detail, the Kampuchean News Agency said.

They were also told that all supplies should be handed over to competent Kampuchean authorities who would distribute the goods and report back to the relief agencies.

Diplomats believe that the compromise could break down at any minute.

Heng Samrin's party—the Kampuchean United National Front for National Salvation—held its second party congress over the weekend and more than doubled its central committee in an effort to broaden its national appeal.

Most of the 21 new figures brought into the now 35-man strong Central Committee are unknowns, as were the original 14 members when the Central Committee's composition was first announced last September.

The Congress also reaffirmed the party's intention to draft a constitution and hold national elections, although no time scale was announced.

Some party leaders appear to have been demoted. Ros Samay has lost his previous position as party secretary-general and reappears now as an ordinary central committee member.

# INDIAN ELECTION LINE-UP

# Much at stake for Mrs. Gandhi

BY K. K. SHARMA IN NEW DELHI

MRS. INDIRA GANDHI, India's former Prime Minister, appears to have taken a clear lead against rivals now campaigning ahead of General Elections due to be held early in January.

A recent opinion poll indicates that at this stage urban and rural voters prefer her as Prime Minister to any of the Janata contenders.

Sensing that this will probably be her last chance politically to rehabilitate herself, Mrs. Gandhi launched a countrywide campaign well ahead of her opponents. She has also started talks with the strong regional parties that have emerged.

The Janata opponents who defeated her in the 1977 elections near the end of her 22-month emergency rule have brought themselves and their party into dispute through internal party wrangling.

For Mrs. Gandhi much is at stake. She is fighting not only to regain the Premiership, but to avoid imprisonment on various charges that the Janata Party has brought against her. These are based on various Commissions of Inquiry which investigated charges against Mrs. Gandhi of "excesses" and abuse of power during her emergency rule.

Mrs. Gandhi is still ahead because she has demonstrated unusual tenacity, using her renowned tactical skills to force opponents to fight on her terms.

It now seems that the elections will be fought on the issue of stability, which Mrs. Gandhi offers as an alternative to the factional quarrels which have emerged between warring Janata groups during the past 27 months.

She is also offering protection to minorities, such as the

Muslims and Harijans (untouchables). Such promises have strong appeal to those who have been worried by outbreaks of bloody communal conflict in recent months.

The main campaigning plank of her opponents in the Janata and the rival Janata (Secular) party, now renamed Lok Dal

her son. Another has found that she allowed Sanjay almost unlimited powers to launch a mass sterilisation programme in a family planning drive that turned the electorate against her in 1977. Many of India's 380m voters still have vivid memories of this.

Sanjay has been convicted on

ponent, the Hindu nationalist Jana Sangh, which is dogged by accusations that it has fomented communal conflict.

The Janata also has to base in the south. Efforts to find allies among the regional parties have been unsuccessful.

The Janata is also being widely blamed for India's current economic problems caused by the nationwide drought and accelerating inflation. Since March wholesale prices have risen by 19 per cent. Mrs. Gandhi never tires of claiming that Janata inherited from her record food stocks, record foreign exchange reserves, and price stability—and failed to do anything with this legacy.

Also helpful to Mrs. Gandhi is that the vote against her is divided because the Janata has disintegrated. Her other major rival is the Coalition headed by Mr. Charan Singh, the caretaker Prime Minister, who heads the breakaway Lok Dal. His election allies are congressmen opposed to Mrs. Gandhi, Left-wing parties, including Marxists, and some powerful regional groups such as the Sikh Akali Dal of Punjab.

This could be a formidable Coalition. But Mrs. Gandhi is sure to exploit the fact that it consists of Defectors, a political tribe in India that is held in contempt since their main function is to topple governments with the object of gaining personal power.

Mr. Charan Singh has a strong base among the farmers in the key northern Hindi-speaking belt and he hopes that his Congress allies will win in the south.

But since he and the Janata will split the vote, Mrs. Gandhi can be expected to be the main beneficiary.



Mrs. Indira Gandhi: early start to election campaign.

(People's Party), of Mr. Charan Singh will be that victory for Mrs. Gandhi would mean a return to authoritarian rule. She is offering them ammunition for this by refusing to accept that either she or Mr. Sanjay Gandhi, her son, were responsible for dictatorial rule. More remarkably, she had refused to promise that press censorship would not be reimposed.

The stigma of the emergency "excesses" may be difficult for Mrs. Gandhi to shake off. One Commission of Inquiry has blamed her squarely for promoting the business interests of

a theft and conspiracy charge and sentenced to a two-year term. He has appealed against the verdict and is now on bail. While many feel he will be a political liability, Mrs. Gandhi has shown no sign of disassociating herself from him. In fact, he has appeared on public platforms with her.

Mrs. Gandhi's main opponents are the Janata Party—or what remains of it—now headed by Mr. Jagjivan Ram, a Harijan and an experienced politician who matches Mrs. Gandhi in tactical skill. He is linked, however, with the Janata's main com-

missionary oil terms

# Nigeria delays start of new Civil Assembly

By Mark Webster in Lagos

THE FIRST sitting of Nigeria's Civilian House of Assembly was cancelled at the last minute yesterday by Alhaji Shehu Shagari, the President.

Members of the Senate and the House of Representatives were to have been sworn in, but the ceremony has been postponed indefinitely. No reason was given for the move.

Alhaji Shehu was only installed himself on Monday as the country's first Executive President under a U.S.-style constitution and the first civilian leader after 13 years of military rule.

Alhaji Shehu had also been expected to give some indication of who would form his Cabinet but only one post has so far been announced. Alhaji Shehu Musa will be Secretary to the General Federal Government. He is the former Permanent Secretary in the Ministry of Finance.

The composition of the Cabinet will be crucial to the success of his government.

In another move, the new President announced that every Government Minister would have to declare his assets on entering office and when he leaves it.

# South African black union applies for registration

BY BERNARD SIMON IN JOHANNESBURG

ONE BLACK trade union has applied for official recognition since the South African Government's new labour legislation came into force yesterday. It is unlikely, however, that many others will immediately follow suit.

The union which has asked for registration is the recently-formed Motor Industry Workers Union, an offshoot of an existing union organised by coloured workers in the motor industry. The application by this "parallel" union is believed to be, as much as anything else,

an attempt to outmanoeuvre two independent black unions in the industry which have recently accused it of unfairly recruiting members.

Since the passing of the new legislation earlier this year, the possibility has been mentioned that application for registration by some unions may be opposed by others.

The Federation of South African Trade Unions (FOSATU), which represents 14 independent unions, has not decided yet whether or not to recommend registration.

# Burma to export crude

BY OUR RANGOON CORRESPONDENT

BURMA has become an oil exporting country in a small way, exporting about 1m barrels of crude a year.

Reports in Burmese newspapers said that the state-owned petrochemical and natural gas corporation has contracted to supply Mitsubishi of Japan with 1m barrels of crude a year. It has already shipped 200,000 barrels. No details have been given about quality and price.

Burma exported up to 8m barrels annually before World

# Sri Lanka to seek concessionary oil terms

BY OUR COLOMBO CORRESPONDENT

A GOVERNMENT-sponsored Sri Lankan delegation will leave Colombo later this month on a special charter flight to several OPEC capitals.

It will present to about 12 OPEC Governments a petition signed by thousands of Sri Lankans appealing for concessionary terms on oil supplies to developing countries next year.

The petition will outline Sri

# Sri Lanka to seek concessionary oil terms

BY OUR COLOMBO CORRESPONDENT

Lanka's difficulties in detail. The island's import bill for the first half of this year was just over Rupees 10bn (about £293.6m). The trade deficit was a record Rupees 4bn.

In its current report, the World Bank says inflation is running at 14 per cent in Sri Lanka and will reach 20 per cent next year, largely because of oil prices. This is regarded by businessmen here as optimistic.

The Sri Lankan Government yesterday announced price increases in flour, bread and kerosene—the poor man's fuel.

Sri Lanka needs 2,100,000 metric tons of crude oil next year. It has already contracted for 300,000 tons with Oman, and has started negotiations for the same quantity from Indonesia.

The Government is hoping that a deal on concessionary terms may be signed when President Suharto pays an

official visit to Sri Lanka early next month.

James Buxton adds: Oil sales by OPEC States to developing countries on concessionary terms, always rare, virtually ceased this year during the oil price spiral caused by the cut-back in Iranian output. Iran, which formerly provided India and Pakistan with oil on comparatively generous terms, has ended all such deals.

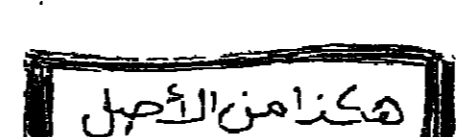
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AMERICAN NEWS

David Buchan reports from Washington on attempts to defuse the threat to SALT-II

Carter seeks to escape the Cuba diplomatic trap

A SOVIET troop brigade in Cuba is "no reason for a return to the cold war," President Carter told the American people on Monday. Few would dispute his evaluation, though he did as much as anyone to inflate the issue. Many might wonder how it came to warrant a Presidential address to the nation...

man of the Foreign Relations Committee, who commented that the Soviets have not budged still insist, before it acted on SALT, on an affirmation that Soviet combat troops were no longer in Cuba. This Mr. Carter cannot provide. He signally failed to get Moscow to withdraw or to disband the controversial brigade. So the President drew what comfort he could from certain assurances "from the highest levels of the Soviet Government," meaning President Brezhnev.

These amount to no more than an extension of the Soviet contention that its forces in Cuba have never been more than training units and pose no threat to any country, to the area, and a statement that they will never be given a future combat role. The U.S. is to increase its aerial surveillance of Cuba, establish a permanent Caribbean task force headquarters at nearby Key West in Florida, step up naval manoeuvres—a 16-ship U.S. training exercise is taking place off Puerto Rico—and increase its economic aid to friendly Caribbean countries.

The White House let it be known on Monday that Mr. Brown would visit China this winter for military talks. The Administration has no plans to change its policy of not selling arms to China. But Mr. Brown's trip will nonetheless irritate the Russians, already irritated by remarks about the identity of U.S. Chinese security interests made in Peking earlier in the year by Vice-President Walter Mondale. The advice which Mr. Carter clearly got from the many "wise men" called in last week to give outside counsel was that he should not compound the damage done to the central U.S.-Soviet relationship.

had to be subsidised by Moscow to the tune of \$8m a day (\$3.94m). The view that Cuba's troublesome military activities in Africa and the Middle East are solely conducted at the Kremlin's behest is by no means shared throughout the Administration. But it clearly served Mr. Carter's purpose this week to make that identity and to attack the Soviets by proxy. Cuba's military relationship with Moscow has long been a pain in the neck for Washington, ever since the alarming 1962 missile crisis. But incidents since then—such as the apparent bid by the Soviets in 1970 to establish at the Cuban port of Cienfuegos something resembling a submarine base, and then again last year, when Cuba was supplied with MIG-23 aircraft capable of carrying nuclear weapons—have been relatively handled smoothly.



President Carter, during his TV address

Administration to declare that the status quo of the troop in Cuba was "unacceptable" before first finding out exactly what the status quo really was and how long it had lasted and how the Russians would react. The Kremlin, it should have been evident, was not about to bow to another 1962-style humiliation in a blaze of publicity. The words of Mr. Vasily Kuznetsov, Deputy Soviet Foreign Minister in 1962, to a Kennedy aide that "you Americans will never be able to do this to us again" might have been remembered. But the Carter Administration had its own pressures to cope with. Reports of a curious combat formation of Soviet troops in Cuba had begun to filter through to Capitol Hill by July. The Central Intelligence Agency denied such reports, but they were not checked. It had indeed confirmed that there was a 2,600-strong brigade, commanded by a Soviet colonel and garrisoned on two sites in Cuba, which, with 40 tanks and 60 armoured personnel carriers, operated quite separately from Cuban forces and thus could have no training function.

Week magazine, a journal with strong ties to the intelligence community, and known widely as "Aviation Leak" was about to blow the story. Deciding that with the SALT Treaty before the Senate and with appallingly low opinion poll ratings on the President it could not afford to be pre-empted, the Administration briefed key Senators on the newly-discovered brigade, knowing full well that at least one of their number was bound to go public with the story. Senator Church, facing tough conservative opposition for Senate re-election next year, duly did so. Certainly, the brigade's role is puzzling. U.S. officials generally regard it as too large just to be guarding the electronic listening centre which the Soviets have in Cuba, and irrelevant to guarding the politically secure Fidel Castro. The most sophisticated theory is that it is designed as a "trip wire" force, to underwrite President Castro's security against any U.S. threats over Cuban activities abroad. A trip-wire force would have to be public, if it is to deter. What is certain is that a force of this size should not be allowed to sabotage a treaty of the importance of SALT 2, painstakingly negotiated over the past seven years by three U.S. presidents.

Advertisement for Lloyds Bank. Text: 'We'll do more than just introduce you to London to the world.' Includes a large image of a globe and the Lloyds Bank logo.

Nationalistic fervour greets returning Mexican President

BY WILLIAM CHISLETT IN MEXICO CITY PRESIDENT Jose Lopez Portillo held a huge nationalistic rally on Monday night—the largest of its kind for probably 10 years—in order to cement on his meeting with President Carter and his presence at the handing over of the Panama Canal. Over 100,000 flag-waving people, most of them from the different sectors of the 50-year ruling Institutional Revolutionary Party, greeted him in what observers here interpreted as an attempt by the Government to bolster its image in the wake of the 50 per cent abstention rate in the July congressional elections. The rally bore the hallmarks of a well-organised effort to drum up support for the Government, something often done by previous presidents. The rally also came on the eve of the 31st anniversary of the massacre of several hundred students who were attending a meeting before the opening of the 1968 Olympic Games in Mexico City. The President used the occasion to reaffirm Mexico's new power, based on its immense oil reserves, in the face of its northern neighbour. He repeated his determination that Mexico will not pay for damage to Texas beaches contaminated by an oil spill from the runaway Ixtoc offshore oil well. He told the people that as the U.S. Government did not pay for damage to the Mexicali Valley caused by salt water from the Colorado River, then Mexico would not pay for damage to the Gulf of Mexico. AP adds from Mexico City: About 110m gallons of crude have now spilled from the Ixtoc I well, which blew out on June 3. Officials of the State-owned Pemex oil company say the flow has been reduced to about 420,000 gallons a day, and that the target date for capping the well has been delayed until the middle of this month.

NY City avoids state loan

NEW YORK — New York City ended the last fiscal year with a net debt of \$11.3bn, \$183m more than a year ago. Mr. Sidney Schwartz, special state deputy comptroller, said in a report. The total debt consisted of \$6.2bn in city obligations and \$5.1bn by the Municipal Assistance Corporation, the agency created by the state to borrow money for New York when investors would not buy city bonds during the 1975 financial crisis. The city's real per capita debt has fallen by nearly one-third since 1973, the report said, however. The position was better than the gross debt indicated because for the first time in four years the city was able to dispense with an \$800m seasonal advance from the state, money lent to tide the city over which had to be repaid immediately.

OPEC suit may be reopened

LOS ANGELES — Allegations that increases in U.S. fuel costs are linked to price fixing by the Organisation of the Petroleum Exporting Countries (OPEC) may be reviewed. District judge Mr. A. Andrew Hank said yesterday that he would rule on October 15 on a motion to reopen a suit by the International Association of Machinists. He also said he would hear arguments on why three similar suits against OPEC by the cities of Pueblo in Colorado, New Haven in Connecticut, and Cleveland in Ohio should not be dismissed. Mr. Hank agreed to the hearing after seeing new evidence that OPEC price increases are tied directly to the pricing policies of such utilities as Southern California Edison Co., Mr. James Davis, the union's attorney said.

Pope appeals for end to oppression

UNITED NATIONS—Pope John Paul called yesterday for the abolition of torture and oppression "either physical or moral, carried out under any system, in any land." Addressing the UN General Assembly, he also criticised governments which restrict human rights, including the right to practise religion freely. On the second day of his week-long tour of the United States, the Pope also appealed for an end to the East-West arms race. Referring to his visit to the Nazi concentration camp of Auschwitz during his trip to Poland, he said that everything which recalled the horrible experiences under the Nazis should disappear forever. This included "everything that is a continuation of those experiences under different forms, namely the various kinds of torture and oppression, either physical or moral, carried out under any system, in any land. This phenomenon is all the more distressing if it occurs under the pretext of internal 'security' or the need to preserve apparent peace," the Pope said. He did not specifically accuse any countries, but appeared to be referring to imprisonment of dissidents in some East European countries and jailing or disappearances of people who opposed military governments in South America. The Pope implicitly gave a partial endorsement to the Camp David agreement between Israel and Egypt but stressed that he hoped for a wider settlement. This peace, he added, "cannot fail to include the consideration and just settlement of the Palestinian question." Reaffirming established Vatican policy, he expressed the hope "for a special statute that, under international guarantees, would respect the particular nature of Jerusalem." Reuter



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## WORLD TRADE NEWS

## Industrial nations criticised by ICC

BY FRANK GRAY

THE INTERNATIONAL Chamber of Commerce has strongly criticised the continuing policies of Governments of industrialised nations to intervene in domestic industry, thereby impeding the development of international trade.

The Paris-based organisation recognised the right of Governments to intervene in and "adjust" sectors of their economies which have become subject to sudden change, causing heavy job displacement and economic disruption.

But it added that "adjustment assistance of the kind practised by many governments in recent years can become not a relatively respectable alternative to protectionism, but a more virulent form of it."

The ICC made its views known yesterday when it released details of a report it has presented to the Brussels-based Brandt Commission, under the chairmanship of Herr Willy Brandt, the former West German Chancellor.

The ICC document considered the subsidies code contained in the recent Tokyo Round multilateral trade negotiations in Geneva and the continuing discussions on trade by the Organisation for Economic Co-operation and Development (OECD).

It was particularly concerned about the joint action of Governments to "organise" markets in order to allocate production of manufactured goods.

It also noted that governments of industrialised countries had been urged, at the Tokyo Round and by the OECD, to "phase out" particular sectors of industry, thereby leaving the field clear for expansion in these industries by developing countries.

"Both of these depend on far-reaching government control, and are a denial of free enterprise," said Sir Reay Geddes, vice-president of the ICC.

The report implied criticism of both the OECD and GATT for not giving enough attention to the fact that continuous change "is the permanent condition of industry."

It described as "patently nonsensical" the supposition that government action had created or even facilitated such changes.

"Indeed, the action of governments, by imposing rigidities and frictions on the mobility of labour and capital have exacerbated the difficulties and the cost to industry of dealing with the consequences of technological development."

In an atmosphere of free and expanding trade, exports from emerging countries could have been absorbed without particular difficulty, the report said.

But it suggested that in an atmosphere of government intervention, there had been a greater reaction to competition from imports rather than pressure on domestic companies to be more innovative and competitive.

## KWU sees Argentine growth

By David Marsh in Frankfurt

ARGENTINA'S decision to award Kraftwerk Union of West Germany the contract for the country's third nuclear power station marks a further stage in the growing nuclear co-operation between the Siemens subsidiary and Latin America.

KWU built Argentina's first nuclear power plant at Alucha five-years ago and the contract for the new A-plant, also to be built at Alucha, looks likely to be followed by orders for the three further nuclear stations being planned by Argentina.

A joint German-Argentinian engineering company will be set up to build Atucha II on the lines of the joint company established in Brazil in the wake of the German-Brazilian atomic accord of 1975.

KWU said that no decision had yet been made whether the company would receive the contract for the further three plants.

The Latin American country has said it will spend around \$10bn (£4.7bn) between now and 1987 on nuclear power, of which \$1.5bn will represent the total cost of the Atucha II plant. KWU's share of the Atucha II order would be much less than this amount, as a considerable part of the contract would be carried out by Argentinian companies.

## Setback for Rolls-Royce as All Nippon buys Boeing 767s

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

ROLLS-ROYCE has lost the chance of making what might have been its largest ever sale of aircraft engines to a Japanese airline as the result of a decision by all Nippon Airways to order the Boeing 767 short-haul airliner instead of the Lockheed TriStar or the European Airbus.

ANA earlier this week announced it had placed a firm order for 25 Boeing 767s, and that options were being taken on another 15 aircraft. The 767, which is being jointly produced by Boeing with Japan and Italy, can be fitted with General Electric or Pratt and Whitney engines in contrast with the TriStar, for which the Rolls-Royce RB-211 engine was designed.

ANA currently operates a fleet of 21 TriStars all of which are fitted with RB-211s.

The 767, which is due to make its first flight in the summer of 1981, is a short-to-medium-range aircraft with two engines designed to meet stringent fuel economy and noise requirements. In the version ordered by ANA the aircraft will carry 229 passengers. ANA is the first Japanese airline to place an order for the 767. Its order brings the total number of aircraft sold or on option to 268.

The 767 is expected to be the "bread and butter" of the

Japanese aircraft industry in the early 1980s, thanks to an agreement under which 17 per cent of total production will be carried out in Japan.

The three Japanese companies which will be chiefly involved in the project, and which are already manufacturing parts for the 767s are Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Fuji Heavy Industries. The

Italian aircraft industry is also a participant in the project. Rolls-Royce's disappointment over the ANA order has no bearing on its other main project in Japan — the joint development of a new jet engine fourth to be ordered by the Ishikawajima-Harima. Talks on this project have been under way since early this year and are believed to be nearing a conclusion.

Swissair has ordered a third Boeing 747 for about \$24m. Delivery of the 747-200B will be in the spring of 1982. Swissair said. In addition Thai Airways has exercised an option for another Boeing 747, the fourth to be ordered by the carrier. The just-announced 747 will be delivered in September 1980, and three twinjet 737s have been ordered by Frontier Airlines of the U.S.

## Soviet exports to Comecon rise 10%

By David Satter in Moscow

THE VALUE of Soviet exports to Comecon rose 10.5 per cent during the first six months of 1979, apparently reflecting increased shipments of oil and gas to Eastern Europe and a large increase in supplies to Vietnam.

Figures published in the Journal Foreign Trade showed that Soviet exports to Comecon in the January to June period had a value of 10.846m roubles (£7.388m) compared with only 9.814m roubles (£6.67m) for the same period of 1978.

No product breakdown was given but the increase may have derived mostly from increased shipments of oil and gas at higher prices. Hungary, Poland, and Czechoslovakia, three of the Soviet Union's biggest energy customers, increased their imports by 12 per cent, 18 per cent and 15 per cent respectively.

The Soviet Union has pledged to deliver 80m tonnes of oil to its Comecon partners in 1979 and 30m tonnes of oil was reportedly shipped during the period between January 1 and April 30, apparently to counter the effects of a harsh winter in Eastern Europe.

Although the Soviets have issued no volume figure for gas exports, they were to increase gas deliveries to Comecon by 50 per cent in 1979 compared with last year now that work has been completed on the Orenburg gas pipeline, which was a joint Comecon project.

The Soviet Union has also sharply increased its exports to Vietnam. Vietnam received goods with a value of 247m roubles during the first half of this year, a 67 per cent increase over the 148m roubles worth of imports registered during the same period of 1978.

East Germany, the Soviet Union's largest trading partner and Mongolia its second smallest in Comecon showed the smallest rises in imports from the Soviet Union, each only 1.1 per cent, whereas two other Soviet economic partners, Bulgaria and Romania increased their imports by 10 per cent and 11 per cent respectively. The value of Cuba's imports rose 3 per cent.

Soviet trade with Comecon accounted for 56 per cent of all Soviet foreign trade for the first half of 1979 and had a value of 21,655m roubles, a 9 per cent increase over total trade with Comecon in the equivalent period of 1978 which had a value of 19,344m roubles.

Soviet purchases from Comecon also increased but more modestly. They came to 10,220m roubles during the first half of the year.

## Standards code could curb Japanese whisky labelling

BY YOKO SHIBATA IN TOKYO

THE INDISCRIMINATE use of expressions such as "pure," "genuine" and "very rare old" to describe Japanese low quality whiskies could be curbed by a new set of labelling standards which the Fair Trade Commission is seeking to introduce.

The FTC, a body modelled on the American institution of the same name, has been trying for three years to get the industry to draw up "voluntarily" a standards code which would put an end to the present free-for-all in whisky labelling. The industry has now produced its draft, and public hearings on it

have just begun. These take the form of "experts," including scholars, journalists and (even) importers of foreign whisky being invited to comment on the draft.

One of the main proposals in the industry's draft code is that distillers should be obliged to list ingredients other than malt on the label of whiskies offered for sale in Japan. Japanese whisky is known to contain potatoes, molasses and ethyl alcohol (as well as cereal grains) in varying quantities depending on the quality of the whisky but distillers are not

obliged under the present liquor law to list ingredients. The law simply states that top grade whisky should contain over 30 per cent malt while first and second class whiskies should contain 20 and 10 per cent malt respectively.

Although the distillers appear resigned to listing the ingredients of their whiskies under the new code the industry is firmly opposing attempts to have the percentages of individual ingredients included on labels. The industry asserts that this would involve a breach of industrial secrets. Consumer groups represented at the FTC's public hearings have demanded that percentages be stated on labels. Scholars who took part in the hearings suggested the listing of ingredients in order of importance as a compromise.

Representatives of the Liquor Importers Association argued that the name "whisky" should be restricted to distilled liquors consisting of pure malt whisky blended with grain whisky and aged for at least three years. This would mean that Japanese whisky would be subjected to the same blending requirements as Scotch whisky.

If the FTC's public hearings are concluded successfully within one month the new standards will come into force as a "fair competition rule" from next April. Whisky would then become the 73rd food product subjected to FTC guidance on labelling.

Steel record

BSC's Llanwern steelworks, South Wales, last week broke six major production records. Outputs of iron and steel were at their highest ever. Steel output at 57,375 tonnes was more than 5,000 tonnes better than the previous record.

UK farm teams in China agreement

BY COLINA McDUGALL

TWO BRITISH agricultural delegations have reached initial agreements with the Chinese over the sale of equipment and services.

The groups were sponsored by the Agricultural Exports Council, and related mainly to animal husbandry, poultry rearing and animal feed.

During the visit, the first group signed a memorandum of understanding on co-operation between the Chinese Agriculture Ministry and the British Agriculture Exports Council. This looks forward to the "active influence" of British help in China's agricultural modernisation.

The memorandum identified several areas in which joint projects would be possible, such as livestock raising, environmental control for livestock, crop protection, seed development, animal nutrition, feed production, and agricultural education.

Payment for the British help would be in commodities or in the products of joint enterprises for sale to third countries.

One commodity deal was concluded during the trip.

The group included the chairman of the Simon Feed Engineering group and senior representatives of the Milk Marketing Board, Ross Breeders, Cherry Valley Farms and other livestock and processing companies.

They visited Inner Mongolia, Peking, and Kiangsu and Guangdong provinces.

Proposals

The second mission, composed of members of the Agricultural Exports Council's consultants' panel, was invited during the visit to Britain in July of the Chinese Minister of Agriculture.

The deputy leader of the Minister's mission, Mr. Li Xuezhong, suggested that a British group visit his home province, the mainly pastoral Ningxia Hui Autonomous Region, to make proposals on livestock farming.

The eight-man party included representatives of Bimles, Sir Murdoch Macdonald and Partners and Hunting Technical Services.

They gave the Chinese a joint presentation, and were then invited to carry out a survey and submit proposals for a demonstration livestock farm.

Technimont signs £36m Nigerian plant order

BY RUPERT CORNWELL IN ROME

TECHNIMONT, the engineering subsidiary of the Montedison chemical group, has won a contract, whose value is understood to be about \$80m (£36m) to build a polypropylene plant at Warri in Nigeria.

The deal was signed with the Nigerian National Petrochemical Corporation. The plant which will have a capacity of 235,000 tonnes a year when it goes on stream in 1982, will employ propylene produced by local oil refineries.

Technimont's success comes just a few days after AGIP, the oil operating subsidiary of the ENI state-owned hydrocarbons group signed an important exploration and production sharing agreement covering a 21,000 sq km permit area in the Niger River estuary.

The polymerisation process used by the Technimont plant will be on a mixed technology basis, using licences from Montedison and Mitsui Petrochemicals

on the one hand, and Dart Industries of the U.S. on the other.

Meanwhile the Italian Government and ENI are seeking with the United Arab Emirates a bilateral oil supply deal, which will follow the lines of other agreements prospecting with Saudi Arabia, Iraq and Iran among others — would bypass the major international oil companies.

Such a scheme has been under examination here, during the current visit to Italy of Mr. Saoud Al-Oteibi, the UAE's Oil Minister and current president of OPEC. So far, however, no details of the size or duration of any arrangement have emerged.

It would, however, form part of the enduring strategy of ENI to secure bilateral supply deals, in exchange for the supply of technology, know-how and equipment by ENI and its specialised engineering and chemical subsidiaries.

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# GREAT INVESTMENT



IMF / World Bank : BELGRADE

Reform McNamara attacks 'strings' on U.S. aid not deform should be the aim

BY JUREK MARTIN AND PETER RIDDELL IN BELGRADE

BELGRADE — Mr. John Crosbie, Canadian Finance Minister, told the IMF's Interim Committee that Ministers had to be assured that reform of the International Monetary System did not become a "deform" of financial arrangements to accommodate all the demands of developing country members, delegation sources said.

Mr. Crosbie said the provision of temporary balance-of-payments financing would continue to play an important role in the IMF's operations.

Additions to the Fund's resources provided by the supplementary financing facility and the new quota increases, in combination with the current round of Special Drawing Rights (SDR) allocations, should place the Fund in a good position to help members to support their adjustment efforts.

According to the sources, Mr. Crosbie said the Fund's liquidity was more than adequate to meet any demands likely to be placed on it.

MR. ROBERT McNAMARA, President of the World Bank, yesterday accused the U.S. Congress of threatening to destroy "the largest single source of economic assistance to the one and a-quarter billion people living in the poorest developing nations."

In a special section of his speech to the annual meeting of the IMF and World Bank, added at the last minute, Mr. McNamara repeated that the World Bank's charter did not permit it to accept contributions with political strings attached. The Congress is seeking to effect this by prescribing aid to a number of nations charged with violating human rights.

The main victim would be the

International Development Association, the Bank's soft loan arm. Mr. McNamara said he was confident that President Carter did not want to turn the American back on the plight of the neediest, but congressional action meant "that it is on the way to being done."

The congressional onslaught on World Bank contributions, led by Republican Congressman Bill Young from Florida, concerns the fifth replenishment of IDA. This weekend, IDA's contributors are due to meet in Dubrovnik to consider the sixth replenishment. But it is widely agreed that serious planning cannot go ahead with the status of the main donor, the U.S., in doubt.

Mr. McNamara said in his speech that if the U.S. contribution were unacceptable, "the Bank would be forced to stop IDA operations immediately." There is, however, some question about this: on previous occasions when IDA's finances have been temporarily out of order, it has continued to process loans on the assumption that contributions would eventually be forthcoming.

However, in seeking to exert maximum pressure on a Congress whose current interest in development aid is minimal, Mr. McNamara clearly does not want publicly to allow for such an eventuality—even though it could occur.

Reuter adds: Mr. McNamara painted a grim picture of desperation in the developing countries and warned that the world as a whole would have to solve the problems or face the consequences.

His speech followed an appeal by the developing countries here for a massive new influx of aid.

Saying that the third world faced an appalling population explosion which had to be somewhat controlled, and widespread poverty, Mr. McNamara declared:

"Procrastination and delay and inadequate effort in the face of these momentous issues can only bring the most severe

penalties to those in the next century who will have to live with the consequences of the decisions we must take—and take soon."

He said that short of nuclear war, population was the gravest issue that the world faced in the coming decades.

The fact that birth rates in the developing world outside sub-Saharan Africa were declining had led to a dangerous misunderstanding that the problem was solving itself.

The birth rate was not falling fast enough to prevent a huge population explosion. "If current trends continue, the world as a whole will not reach replacement-level fertility—in effect, an average of two

children per family—until about the year 2020.

"That means that some 70 years later the world's population would finally stabilise at about 10bn individuals compared to today's 4.3bn," he said.

Even on present economic growth rate targets, there would still be some 600m people trapped in absolute poverty in the year 2000.

He called on the richer nations to attack poverty directly, rather than relying on attempts to raise the economic expansion rate of the developing nations. And he attacked protectionist tendencies in industrial countries which barred the goods of the developing world.

Israeli fruit and vegetable sales to rise

By Our Own Correspondent TEL AVIV — Agrexco, the Israeli company handling exports of unprocessed fruit and vegetables, expects its sales abroad to rise by 10 per cent in quantity and 30 per cent in value during the 1979-80 export season which has just begun.

Part of the forecasted increase in value—to \$210m—reflects the devaluation of the dollar in relation to the currencies of European countries, which are Agrexco's principal markets.

Nearly half of the total earnings is expected to come from the sale of cut flowers. But proceeds from shipments of avocado pears are also expected to rise significantly due to bad weather damaging the Martinique crop. Initial avocado shipments fetched a record \$1,900 per tonne and those of early export \$1,000 per tonne.

Fund director cautious on solutions to 'gloomy world economy'

BY OUR FOREIGN STAFF

A DISTINCTLY cautious view of the chances of producing an early solution to the problems posed by the present "gloomy world economic situation" was outlined yesterday by M. Jacques de Larosiere, managing director of the International Monetary Fund, at the formal opening of the Fund's annual meeting.

Mr. de Larosiere said the current position contained fewer uncertainties than after the 1974 oil price rises. "The difficulties are better seen for what they are and the broad

course of events seems less unpredictable. However, if the policies that should be adopted are more obvious than five years ago, the obstacles in their path are more deeply entrenched. Some essential adjustments have been delayed and this makes the measures which must now be taken more severe."

Mr. de Larosiere's speech reflected the mood of restrained and slightly resigned pessimism that has characterised the discussions between Finance Ministers here during the past few days. The only optimistic

note is the emergence of a better balance in the distribution of rates of growth and of current account surpluses and deficits among industrialised countries.

M. de Larosiere said these developments had "improved fundamental factors in the outlook for the behaviour of the exchange markets."

While there had been agreement among most countries about the seriousness of current problems there had been no list of recommendations for action by particular countries, in

contrast to the very specific proposals produced by international meetings between the end of 1976 and early this year.

In his speech, M. de Larosiere said the world economy might be entering a "very difficult phase for at least the next few years," but he firmly believed that a series of complementary policies, mainly aimed at reducing inflation, could serve to turn the situation around and get things moving in the right direction.

He noted that the strategy of

gradualism, widely accepted by industrial countries, had not worked because of the failure to achieve any abatement of inflationary expectations.

The fundamental aim must be to achieve credibility of fiscal and monetary policies so as to roll back inflationary expectations and to restore confidence," he said.

On the question of the appropriate response to this year's increase in oil prices, he said: "All countries whose inflation rates are relatively high, or

whose external positions are weak, would be well advised to accept this deflationary impact rather than to offset it."

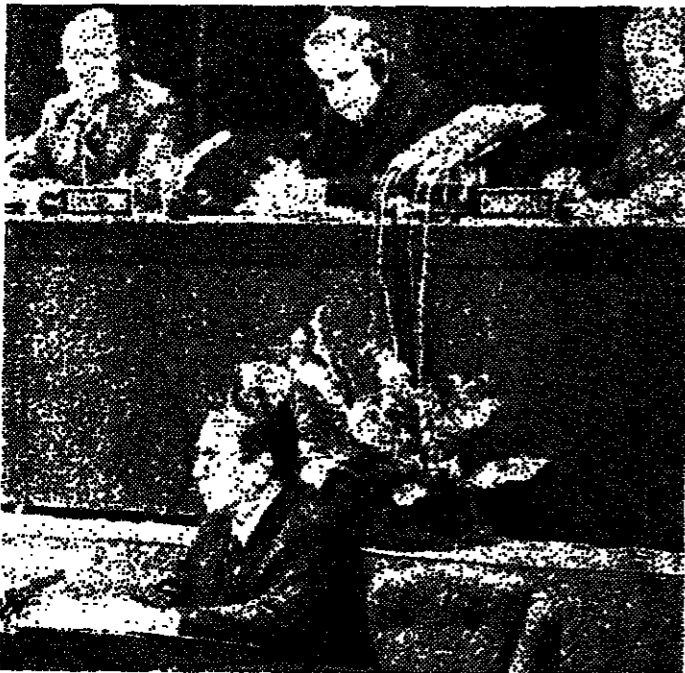
M. de Larosiere highlighted the increasingly serious problems of the non-oil developing countries, notably the large rise in their combined current account deficits (from \$32bn to \$45bn—£14.57bn to £20.49bn—this year and to well about \$50bn in 1980).

They also face serious inflationary problems, as the average increase in consumer prices in

these countries this year is likely to be 30 per cent.

He said that international private capital markets would naturally play the main role in recycling funds from surplus to deficit countries as they did successfully after the 1974 oil price rise.

But he pointed out that it was not a function of private banks operating in these markets to look after the working of the international adjustment mechanism. In this area the Fund's role was to provide conditional liquidity to members.



President Tito addressing the meeting.

Tito puts the case for Third World

BY ALEKSANDAR LEBL IN BELGRADE

PRESIDENT TITO, looking fresh and vigorous for his 87 years, yesterday addressed the annual meeting of the World Bank and the IMF in Belgrade, urging the developed countries to change the existing system of international economic relations and establish the new international economic order.

He referred repeatedly to the Havana non-aligned summit in a way that could be interpreted as his not speaking only on behalf of Yugoslavia but of other non-aligned and developing countries too. He was warmly greeted by the audience.

Non-aligned and other developing countries, President Tito said, had always demonstrated their readiness for, and vital interest in, overcoming existing difficulties through co-operation based on equality rather than through confrontation with the developed countries. Unfortunately this had not met with the understanding of many of those countries, which had forsaken some of the decisions they had adopted in the UN.

President Tito's remarks reflected the prevailing view among the non-aligned, rather than the "radical" line advocated by the minority within that movement which is opposed to the market economy and favours strengthening ties with the Comecon countries.

Nevertheless, President Tito was critical of the existing system, saying that it was relentlessly detrimental to the de-

veloping countries and was wasting enormous human and natural potential. That imposed growing difficulties on the world economy in general, including the economies of developed countries. The belief, he said, that the difficulties confronting the developed countries could be alleviated or transcended by simply shifting them to developing countries was both short-sighted and dangerous.

President Tito regretted that the process of transforming the existing economic order was proceeding at a snail's pace. Particularly slow to change were relations in the financial and monetary field, which called for far greater efforts, political readiness and farsightedness in negotiations for the reform of the international monetary and financial system in order to make it more responsive to the needs of developing countries. He advocated more effective mechanisms for stimulating a greater transfer of resources to developing countries, and their taking a more active part in all phases of decision-making within the financial and monetary institutions, thus enabling them to become more democratic and universal.

Co-operation between the Yugoslav Government and the officials of these institutions, President Tito stressed, have continuously created and expanded opportunities for co-operation, and Yugoslavia relied on the further promotion of this co-operation.



Power planet?

Just because you don't have to queue for petrol any more, don't think the energy crisis is over. It's not. Planet Earth may be alive with energy, but that's no reason for complacency. It's going to take time to mobilise the earth's resources and we must face up to three priorities now: Use less oil—we can't afford to waste it. Find and produce more oil—we need every drop we can get. Develop and use alternatives—the only real solution.

In the short term, oil is indispensable. Our technology and lifestyles depend on it. But the balance between supply and demand is now precarious. Even minor disruptions in a single oil-producing country can shake the world. In the longer term the energy outlook is rosier. Coal's vast potential has still to be realised; nuclear power has immense promise, and natural gas has more to offer. The most abundant energy sources have hardly been touched at all—think of solar, wind, tidal and wave power, biomass energy from plants, geothermal,

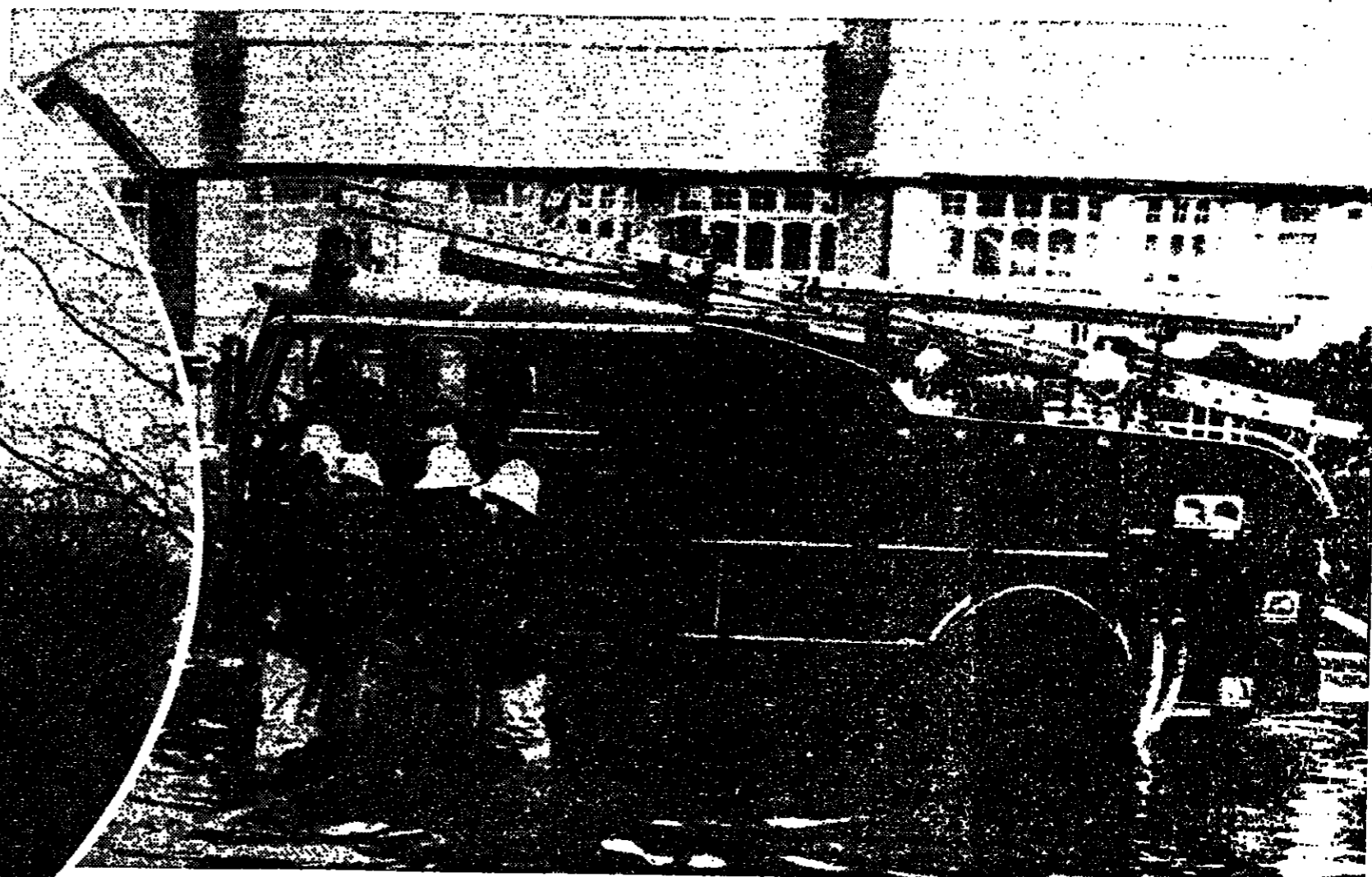
hydrogen and fusion. But these aren't ready to support us yet. Over the next few weeks, Mobil will be discussing these issues in more detail, because the time to act on them is now. Without urgent action, we'll face a worse crisis in the future: starving in the midst of plenty.

First two series on energy issues.

3611 LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Extn. 266







# While others were assessing the damage, we were paying for it.

On the morning of January 11th 1978, you might have been forgiven for mistaking the streets of Sheerness for Amsterdam or Venice.

After a night of near hurricane force winds and waves as high as houses, the East Kent coastline was, quite simply, blown to bits.

In the light of this thirty mile trail of devastation, it became clear to us at Commercial Union that there was only one way we could be of real help.

Not with tea and sympathy. Or vague promises of compensation.

But rather, by agreeing to claims immediately. On the spot.

Now, it's not every day you'll find us popping in on policy holders, with a view to popping a cheque in the post.

After all, like any other insurance company, every claim we deal with involves certain formalities.

There are details to be noted down. Policies to be checked

out. Assessments to be made. And so on.

A process that can take anything from five minutes to five months. Or even longer.

Speaking for ourselves, we prefer to simplify the paperwork, for the sake of a speedy settlement.

Which is precisely how we coped with the mopping up of East Kent.

On January 12th, with the storm damage barely a day old, we set up an emergency claims centre in Canterbury.

Within two working days we had our own team of claims inspectors out and about on the waterways, personally totting up the cost of repairs.

In all, we paid out £115,000 from just one branch, to more than 400 policy holders.

So they could start rebuilding their lives, while others were still getting estimates.

**We won't make a drama out of a crisis.**



ASSURANCE

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PRODUCTION CONTROL

### Efficiency is put to the test

A SYSTEM designed to uprate the efficiency of any production line where there is a storage effect has already saved a brewery company more than \$1m on buying new equipment.

Devised and developed by the consultancy services division of Metal Box it has already proved its worth on can-making and bottling and canning lines in the U.S., Australia, Europe and the UK. It is now being made available to other industries.

Called PLUM (production line uprating method), it has saved Fabst Brewery in America from over-spending by more than \$1m by showing that projected investment would have only a minimal effect whereas a smaller investment in more critical parts of the line would produce greater output. Metal Box is now working on the seventh line for Fabst, has improved the efficiency at Containers Australia by 11 per cent without major line configuration changes, and Pedigree Petfoods (Mars group) at Melton Mowbray by 5 per cent with more to come.

PLUM is expected to become a million dollar a year business in the U.S. next year and a headquarters has been established at Schaumburg, near Chicago.

Metal Box uses a computer to simulate the performance of a canning or bottling line. A computer simulation of the customer's line is built by the PLUM team and key factors like speed, frequency and duration of breakdowns, and line control logic are fed in.

The system can calculate what is likely to happen while im containers are being filled and take action to relieve bottlenecks as well as to save unnecessary equipment being used. Cost

of PLUM is £3,000-£20,000. An associated system FEARS (production evaluation analysis reporting system) has also been developed. This is a microprocessor based system planned to achieve at least 2-5 per cent improvement in line efficiency and to pay for itself in four to nine months. It detects significant changes in machine performance, analyses the results and identifies the problems.

Yet another system QUINCE (quality inspection control equipment) has also been developed and is installed at Metal Box's Wisbech can-making plant.

Details from Mr. John Dutton, head of Metal Box Consultancy Services, Woodside, Perry Wood Walk, Worcester, WR5 1EQ.

PETER CARTWRIGHT

## COMPONENTS

### Tubes for terminals

CATHODE RAY tube monitors in five, nine, 12, 15 and 21 inch sizes made by Motorola Display Products are now available in the UK from Cramer Electronics, Hawke House, Green Street, Sunbury-on-Thames, Middx. (01-879 7799).

Each unit, which is fully assembled and tested is supplied in a metal frame ready to be incorporated in visual display units, computer terminals, word processors or any kind of control panel.

Solid state design ensures high resolution on the screen, and high reliability. Power supply can be ac or dc. There is a wide choice of specifications and a number of high performance options.

## RETAILING

### Foils the light-fingered

BELIEVING THAT of the estimated £1bn lost to the retail trade each year some 60 per cent is due to staff pilfering, Chubb has come to the market place with an electronic cash register designed to make life difficult for the light-fingered.

The CC148, a stand-alone machine with no point of sale communication or analysis facilities, is also the first UK-built electronic register to come to the market, foreign content consisting of only the Motorola microprocessor and the digital display tubes. User facilities are based on a 2000-retailer survey which revealed two main desires: simplicity and security.

With the CC148 it is not possible to ring up an amount with the cash drawer open. A typical trick demonstrated at the London product launch — is when a bartender for instance, takes an order for say, £1.50 of drinks; with his back to the customer and concealing the till display, he actually rings up 50p, opens the drawer, puts in the cash and rings up £1.50

(not internally recorded) for the customer to see. He later pockets the £1.

Ring-up with the drawer open is impossible with the CC148: nothing happens apart from a give-away bleeping sound.

There are other safeguards: at the end of the day the assistant has to declare first what he believes is in the cash drawer. In addition, there is a security seal on the case of the till, which cannot be removed for tampering.

Four people can use the till, each with key-lockable totals and it can separate on the till roll VAT, discounts and other local variations. Single, four and eight total versions are available, at prices between £335 and £700.

The machine tests itself in 14 minutes, and Chubb fields a 250-strong service team, apart from 140 salesmen calling individually on High Street shopkeepers.

Chubb Cash, Hollingbury, Brighton, Sussex (0273 555441).

GEORGE CHARLISH

## INSTRUMENTS

### Large screen oscilloscope

SQUARING UP to an established market position held by major companies such as Hewlett Packard, one year old British firm Robel Electronics has launched its first product, a high performance large screen oscilloscope.

Called the 1530, it is a fast high resolution instrument intended primarily for the display of high density "mixed" data—graphic and alphanumeric. Applications will be in radar, sonar, spectrum analysis, digital and analogue medical displays and many kinds of computer based data systems.

Using a 15 inch Thorn tube with electrostatic focusing, a spot size of 0.33mm is achieved at the centre, degrading only to 0.5mm at the edges. Some 28.5 lines/cm are resolved inside the quality area so that, coupled with a rise time of 500 nanoseconds/cm very detailed

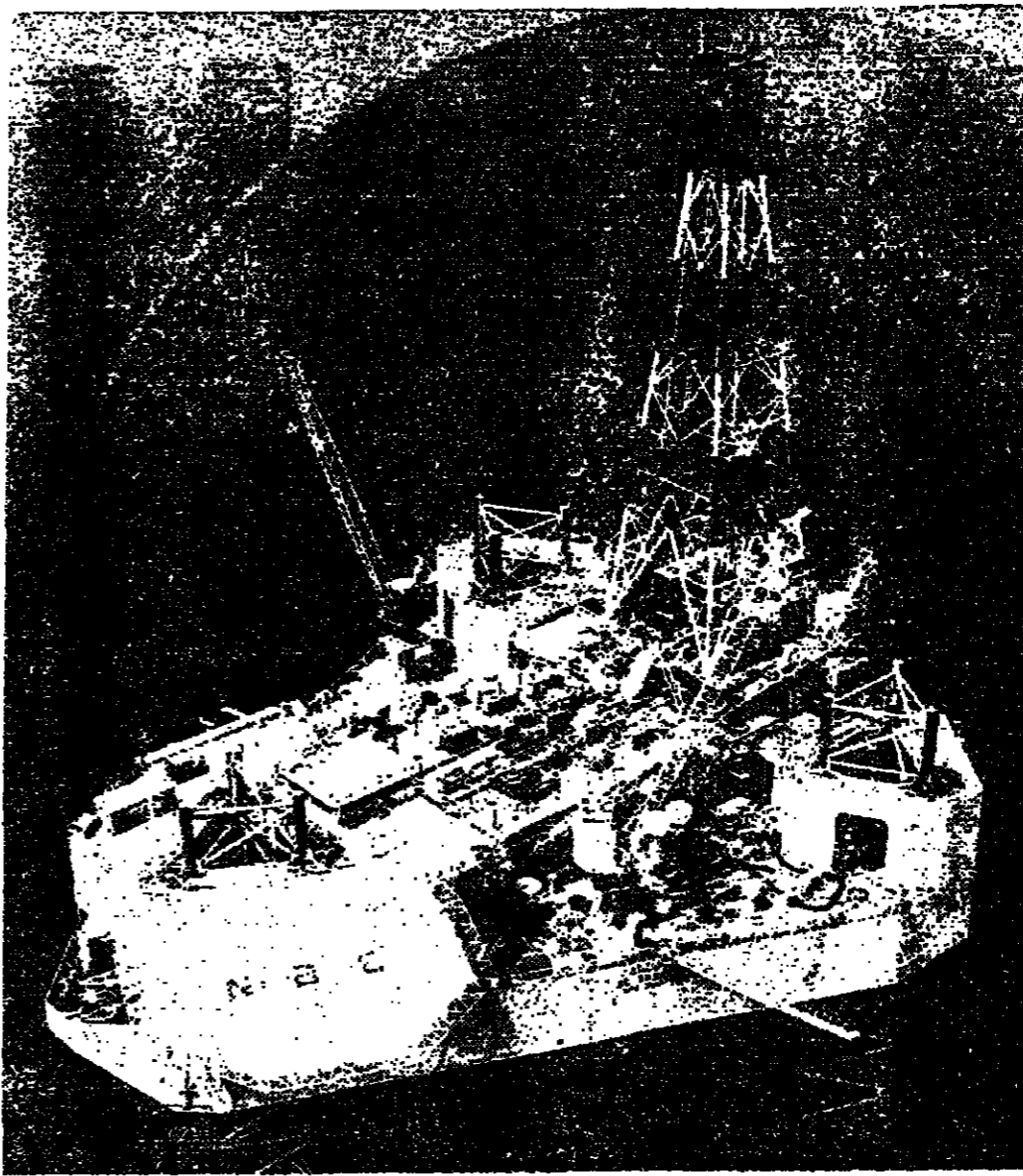
and clear writing can be achieved. Deflection factor on the x and y axes is front panel adjustable between 40 and 80 mV/cm with independent 5:1 or 10:1 attenuators for each amplifier. Settling time is to within one spot diameter of final value in less than 500 nanoseconds.

The bandwidth of the instrument is from dc to 70 kHz (3 dB down) for 10 cm deflection.

On the z axis, internal or panel adjustment allows a full scale change in brightness to occur for input levels of one to five volts peak and a front panel control adjusts intensity to zero, regardless of input signal level.

The mains driven unit measures 430 x 385 x 510 mm (17 x 14 1/2 x 20 inches) and weighs 20.54 kg (45 lb).

More from Cores End Road, Bourne End, Bucks SL8 5AS (06285 28424).



This jack-up type offshore oil drilling rig, built by Hitachi Zosen in Japan for National Drilling Company (NDC) of Abu Dhabi (United Arab Emirates) is due to arrive early in November. This is the first of three rigs ordered from Hitachi Zosen by NDC in June 1978, and it is designed so that the legs can be completely contained in the platform. This allows it to be towed in shallow water or carried on the deck of a barge. Although intended for an operating depth of 150 feet, the rig's legs have been constructed with sufficient strength to allow it to be used in depths up to 200 feet. The platform is 75.5 metres long and 61 metres wide and is intended for a drilling depth of 20,000 feet.

## PROCESSING

### Colour changes are easy

UNUSUAL FEATURE of a lightweight, portable powder coating unit is its power feed system which allows powder to be sucked directly from the container in which it is supplied, thus eliminating the need for a feed hopper, says Gray Campling, Magnalux Works, Southcote Road, Bournemouth, Hants.

Colour changes, therefore, can be effected very quickly

and easily, and cleaning is much simplified.

Feed method of the Eagle 80 works by a suction device known as a "mole" which is placed directly into the supplier's carton. Powder flows freely when the gun is activated.

The powder pick-up unit can also draw reclaimed powder directly from the base of a suitably designed booth, or from a cyclone unit container.

## DATA PROCESSING

### Foreign currency control

FERRANTI has won a new £350,000 order to supply computerised foreign currency exchange facilities, using microprocessor-based cashier terminals and printers, to Barclays Bank at London's Heathrow Airport.

The new system, to replace existing Ferranti equipment originally installed in 1972, will enable Barclays to handle more speedily the increasing number of foreign currency exchanges made at its Terminal No. 3 branches.

The systems and their 30 cashier terminals will be installed by Easter 1980 in time for the seasonal increase in passenger traffic.

The two separate systems, each using a Ferranti Arzu 700G processor with 128k bytes of semiconductor memory and 20M-byte disc backing stores will be provided. With these go 15 STC cashier terminals and printers developed and manufactured by Standard Telephones and Cables at Southgate, London.

Ferranti, working closely with Barclays and STC, developed the specification of requirements of the computing system and the cashier terminals, in which the major changes have been made. The new STC developed terminal and printer is microprocessor-controlled and can be programmed to meet the operational needs of foreign currency exchange.

Ferranti, Wythenshawe Division, Simonsway, Manchester M22 5LA, 061-457 5391.

### Keeps an eye on the network

MADE BY Codex Corporation in the U.S. and available from R. H. Cole is a monitoring system of interest to all who operate and maintain complex data networks.

Called DCNS (distributed network control system) it consists of a multi-micro-based controller designed for continuous and simultaneous network monitoring together with intelligent terminal, printer and

floppy disc store. A simple English command set is used which allows easy operator entry and maintenance of line and device data at all times. A map of the network is maintained and reports can be generated which compare the current state of affairs to what is found in the data base.

The DCNS will accept operator-entered threshold parameters and modify them as network conditions require, and then report all threshold-exceeded conditions on the printer. Any self-correction or operator initiated correction via DCNS will be identified on the screen, and a complete repertoire of modem and line testing is available.

More from the company at 105 Lansdown Road, Croydon, CRO 2BN (01-680 8507).

### Powerful portable

DESKTOP equipment with processing capabilities comparable with those of much larger machines is to be seen for the first time at the Compec Exhibition, 6-8 November, Olympia.

The Butel-Athena, which starts at about £3,000, is by Solid State Technology. Butel-Comco has been appointed sole UK distributor.

In its most powerful version it contains 11 microprocessors, one being an Intel 8085. The other operate as intelligent controllers, with their own RAM or ROM stores and with direct access to the computer's main memory, for the display, keyboard, floppy discs, tape cassettes, built-in printer and other devices. They handle all the I/O processing, relieving the processor of this overhead.

All the main unit has to do on input-output is scheduling and task management, leaving it otherwise free to perform its main processing functions.

A basic system consists of processor, video controller, display, keyboard, motherboard and power supply modules. Optional modules include extended memory, line printer, one or two mini-cassette transports, up to four floppy disc drives, and up to four rigid disc

drives, all with dedicated controllers, synchronous communications, high-speed network controller, and modem. Butel-Comco, 50 Oxford Street, Southampton, Hants. Telephone (0703) 39890.

### Will run remotely

IT IS A sign of the times that SIA Computer Services is now offering a time-shared word processing and document production system "Siatext".

Use is from any 30 characters per second terminal over dial-up lines through a network with access points all over the country.

Customers have the benefit of a "help" button, as well as complete control over text layout and ability to include computer reports from other SIA programs.

Aim is to speed production of reports, manuals, contracts and the like. SIA, Ebury Gate, 23 Lower Belgrave Street, London, SW1V 0NW. 01-730 4544.

**Nilfisk**  
The world's largest manufacturer of industrial suction cleaners  
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# Iberia Reservations.

## Electronics is just part of the game, not the game.



A sophisticated electronic reservations system is absolutely essential to an international airline. And being the second largest airline in Europe, in number of passengers flown, you can be sure ours is one of the most advanced in the world.

But at Iberia, we know that coordinating the flights of over 13,500,000 passengers a year takes more than electronics. It takes our colleagues at Reservations.

When they receive a request for a seat they don't think of you as a number. They think of you as a guest. And, in Spain, guests are friends.

So they put all their effort in trying to book you a seat, your connecting flight, or any other service. Because a computer can offer you an efficient flight, but only a friend can help you enjoy it.

That's why at our Reservations Department, electronics is just part of the game. Not the game.

This is Iberia today. But we want to be better.

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INTERNATIONAL AIRLINES OF SPAIN

MORE THAN 50 YEARS MAKING FRIENDS.

We are pleased to announce that

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has joined our firm as  
Chairman  
Dillon, Read International

**Dillon, Read & Co. Inc.**

September 17, 1979

مکان من الأجل

# The City's idea of the building industry.

## A bunch of cowboys.

One of the bright white hopes of the City was recently heard to declare that the old notion of the building industry as a bunch of cowboys was thoroughly outmoded these days. Mind you, he added, there's no smoke without fire.

Too true.

Barratt would be the first to admit that some building companies richly deserve their reputations.

Some don't.

Barratt would like to present some objective facts and figures so that you can judge their true worth and potential without prejudice.

## Solid as an oak.

Barratt have just celebrated their 21st birthday.

And 1979 sees us at number 9 in Management Today's Ten Year Profitability League (October issue), in the whole of British Industry (turnover 1979-£170m).

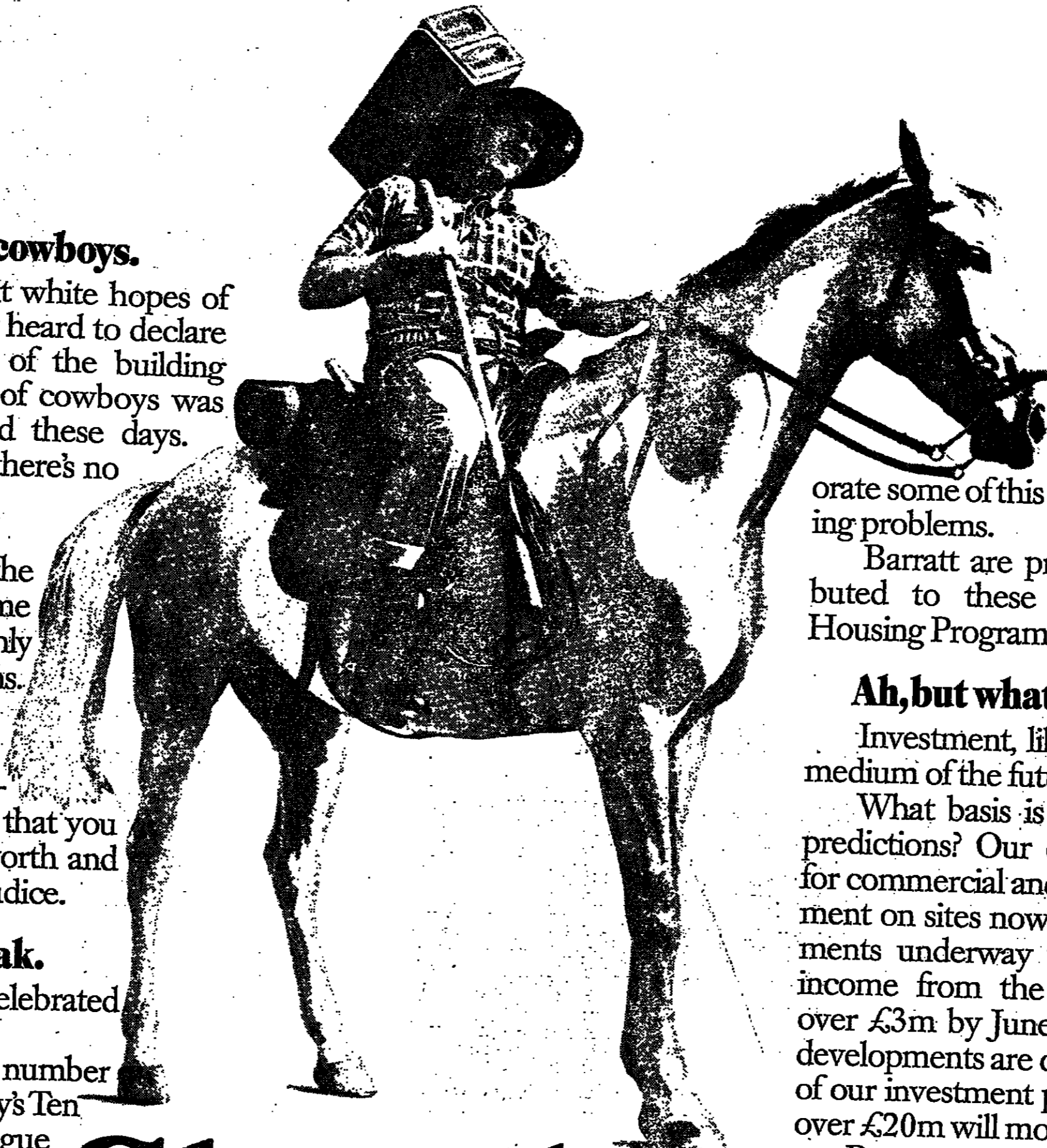
This isn't some here-today-gone-tomorrow phenomenon.

Barratt's growth has been sure and steady, even in 1973-4, when the market was depressed and other building companies that had rocketed in the 60s, crash-landed.

The graph spells out the story in terms of hard cash.

One reason for our success is that where other building companies have centralised their operation, Barratt have stuck to their policy of local involvement, with thirty operating subsidiaries, twenty-two in private housing, five in manufacturing and general contracting and three in property development.

The fact is that if you're building



Barratt's work on inner city re-housing programmes in areas such as Liverpool and Glasgow has done much to ameliorate some of this country's worst housing problems.

Barratt are proud to have contributed to these socially vital Joint Housing Programmes.

## Ah, but what of the future?

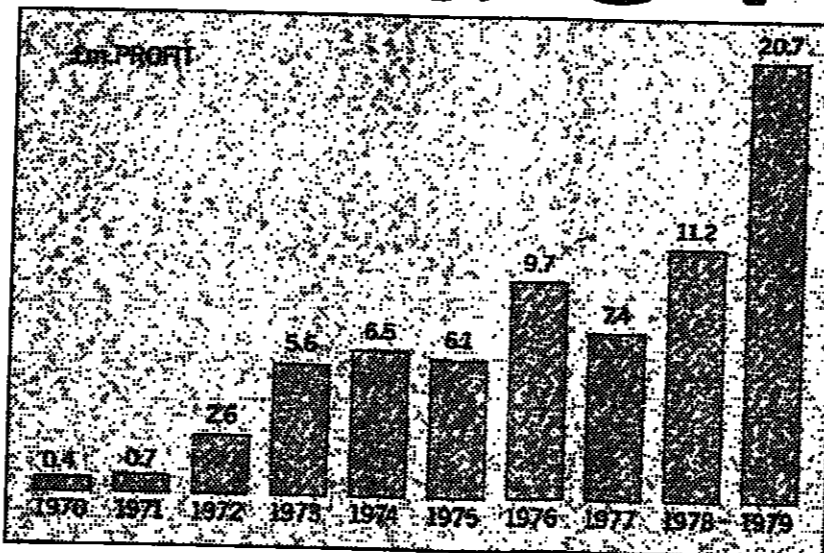
Investment, like clairvoyance, is a medium of the future.

What basis is there for confident predictions? Our current programme for commercial and industrial development on sites now owned or developments underway will increase rental income from the present £12m to over £3m by June 1981. When these developments are completed the value of our investment properties presently over £20m will more than double.

Barratt own 33,000 plots of high quality, developable land to keep us busy for the next 3 years. Home ownership will undoubtedly increase beyond its present level of 54% (in some European countries home-ownership now stands at 70%+).

Barratt are ideally placed to cater to demand, be it for £11,000 houses or £110,000 houses, in Southampton or the Shetland Islands on 350 developments in the UK.

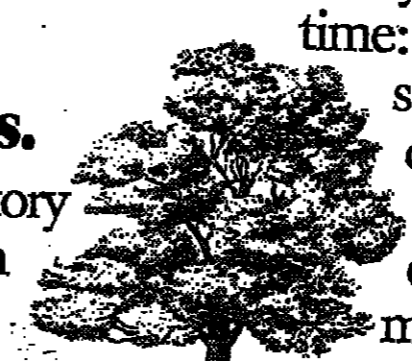
# Shot down.



in Chester, it's a good idea to be in Chester.

## The confidence of local authorities.

We have an impressive history of working partnerships with Local Authorities.



**Barratt**  
Developments Limited

## The myth bites the dust.

All of this will perhaps only confirm what you have suspected for some time: that Barratt is the kind of rock-solid investment that you can confidently trust for the future.

If you're still on the lookout for cowboys we recommend you try the late night movies.

# Scottish steel works lacks quality metal

BY RAY PERMAN, SCOTTISH CORRESPONDENT

STEEL STOCKHOLDERS are facing a tough period and are being squeezed between falling demand from the engineering industry and difficulty obtaining adequate supplies of good quality metal. Mr. Bob Cuthbertson, chairman of the Scottish Steel Stockholders Association, said yesterday.

The association's 35 member companies estimate that the engineering strike has reduced steel demand by about 30 to 50 per cent from a year ago. If the dispute continues they fear the situation will deteriorate.

Already one Scottish company, New Steel at Coatbridge, has closed and others are suffering.

Many engineering companies, who are the stockholders' main customers, had shorter order books before the dispute than last year and may lose some contracts they have won because of inability to fulfil them.

Holdings of steel in stockholders' yards are increasing rapidly so some companies are considering cancelling orders from the steel producers.

**Pessimism**

Demand for steel is dangerously low and many firms are buckling under the strain imposed by the industrial action by engineering unions—action which is more likely to destroy the jobs it seeks to protect," Mr. Cuthbertson said.

Many stockholders were already looking to the future with growing pessimism. Despite a glut of cheap, often inferior quality steel, supplies from some British mills were

so erratic that customers were looking to Europe and beyond for reliable supplies.

On top of this the problems of British Steel Corporation were aggravated by the intervention dispute that kept the £100m Hunterston ore terminal idle.

Steel stockholders are not immune to the economic ills of other parts of industry. They face exactly the same financial pressures and survival depends on their ability to work with suppliers and customers.

Mr. Cuthbertson said that a reduction in the number of stockholders was inevitable because of pressure from steel producers to ship to them in larger quantities and from European companies moving into the UK market.

# New Lord Mayor is mining expert



Alderman Peter Gadsden, pictured above, was elected yesterday as Lord Mayor of the City of London.

He has been involved since 1952 in the mining, processing and marketing of minerals. He is a member of the London Metal Exchange, an underwriting member of Lloyd's and is also a director of a number of companies. He is also an Honorary Fellow of the Institute of Marketing, a Fellow of the Institute of Mining and Metallurgy and a chartered engineer.

He is a director of Bassett Smith and Co., the Guthrie Corporation and the City of London (Arizona) Corporation. Born in Alberta, Canada, Mr. Gadsden is the eldest son of the Rev. Basil Gadsden of Aylesbury, Buckinghamshire.

The new Lord Mayor, 50 and married with four daughters, has worked in the City for 27 years and has lived there for the past 10 years.

He has been Alderman of the Ward of Farringdon Without since 1971, has been a JP since 1969 and from 1970 to 1971 was a Sheriff of London.

Since 1969 he has contributed papers to the Mining Journal annual reviews on titanium, zirconium and hafnium.

The new Lord Mayor enjoys skiing, sailing, walking, photography, forestry and farming.

# BP offers £400,000 fuel saving awards

By Maurice Samuelson

BRITISH PETROLEUM yesterday announced a £400,000 series of awards to encourage international research into energy saving during the next three years.

The prize scheme—BP's contribution to international energy conservation month—will operate in the UK and 10 other countries. An international award of £10,000 will be made in 1982.

In the UK, £50,000 will be available, including three sums of £10,000 for research projects, as well as cash prizes for the winning teams.

BP claims to be saving £80m a year in its own fuel costs due to better house-keeping measures introduced since 1973. This presents 10 per cent of the group's energy consumption last year. The group has a 15 per cent energy saving target for 1980.

Savings have already reached this target in BP's refineries, mainly because of better operational efficiency. In the UK, BP consumed 1.9m tons of fuel oil equivalent to operate its refineries in 1978.

The major capital expenditure in UK refineries last year was an insulation of fuel oil tanks and installation of other energy saving equipment. Further expenditure of at least £70m is planned during the next five years, giving possible savings of £20m a year.

# Textile machinery consultancy plan

BY RHYS DAVID

A BRITISH textile machinery consultancy may be set up with Government backing. It would bring together companies in the industry into consortia to bid for major projects in overseas markets.

The proposed organisation has been the subject of discussions for some months in the industry's NEDO working party and the British Textile Machinery Association (BTMA). It is intended to help mainly small and medium companies expand their share of world markets.

The requirement in developing countries is often for major turnkey projects—complete mills rather than individual items of equipment. This presents some smaller groups with a limited product range from tendering.

The practice of bringing companies together to bid for such contracts is widely established on the continent. The UK consultancy would be an attempt to create a similar British organisation.

**Exception**

The need for such an organisation, which it is hoped could be operating by next year, has been increased by the erosion of Britain's share of world textile machinery sales. Britain's share of total OECD exports of textile machinery fell from 13 per cent to 8 per cent between 1970 and 1977. UK output in 1978 was only half the level of 1975.

With the exception of three sizeable companies—Platt Seco Lowell, Bentley Engineering and James Mackie—the UK industry remains highly fragmented. It consists mainly of small companies operating in specialised areas.

The current proposals envisage a relatively small organisation working closely with the Manchester-based Shirley Institute, which carries out research in a variety of textile and other industrial areas.

The institute has been looking for new sources of income because of the decline in demand for its services from the textile industry.

**Preference**

The consultancy is expected to have an executive staff of three. It would have running costs estimated at £140,000 a year for its first three years, of which the textile machinery industry would be expected to fund £95,000.

The remaining £45,000 would come from Shirley, which would itself receive a development contract from the Department of Industry, enabling it to provide substantial technical and other services free of charge.

In tendering the aim, according to a document sent to all BTMA members, would be to give preference to UK equipment with the proviso that the consultancy would need to be absolutely genuine and would always need to do the best for its clients.

The BTMA will be having more talks with its members to see if expressions of support can be converted into hard cash backing. The hope is that if set up by next year the consultancy could be well established in world markets by 1983, when the UK hosts the next International Textile Machinery Association Exhibition at Birmingham.

# New move likely soon in engineering dispute

BY HAZEL DUFFY AND ALAN PIKE

A NEW ATTEMPT to resume negotiations in the deadlocked national engineering dispute seems likely to be made soon.

Neither side is yet ready officially to seek a meeting but there has been informal contact between both to see whether there is enough common ground to make fresh negotiations worth while.

While both sides have maintained an impressive degree of solidarity, pressure is growing in parts of the country for the employers to seek a speedy settlement. A meeting of the Engineering Employers' Federation Association yesterday led to the leadership's deciding to approach the national employers' federation with suggestions which could form part of a peace formula.

The fifth successive weekly two-day strike in the industry ended yesterday. A majority of engineering workers again observed the strike instruction from their unions. But the Engineering Employers' Federation said that the gradual drift back to work was continuing.

According to the employers' estimates more than 400,000 of the industry's workers did not take part in the strike yesterday. This would mean that one-third of those directly involved were ignoring the strike call—although the two sides do not accept each other's figures.

But even if the federation's estimates are correct the action continues to receive strong support in the big factories.

Elaine Williams writes: Because of the series of strikes, electronic component makers are failing to meet orders.

Worst hit are companies in the North and Wales, according to the Electronic Components Industry Federation. Passive electronic components such as resistors and switches are the most badly affected with several small companies facing closure.

Ferranti, a large component maker, says that it may lose orders if deliveries cannot be met on time. Customers who need a guaranteed delivery date will not wait and orders will go outside the country.

# ITV plans talks with advertisers

By Gareth Griffiths

THE MANAGING directors of the 15 Independent Television companies have decided to set up a liaison committee with the advertising industry to discuss the effects of the two-month television blackout.

The companies also arranged yesterday to meet union representatives from the Writers' Guild, Equity, the Musicians' Union, and the Musicians' Union to discuss the hardship their members are suffering because of the dispute.

An emergency, management-run service, which has been talked about for the last two weeks, was ruled out for the time being. The Association of Cinematograph, Television and Allied Technicians has warned the companies that an emergency service could prolong the strike.

The ACTT is certain to reject the companies' offer, which Mr. Ron Carrington, labour relations adviser to the Independent Television Companies Association, estimates to be worth about 27 per cent. Sixteen of the 25 ACTT branches have voted, and the scale of rejection of the deal is about 4:1.

The other two unions involved, the National Association of Theatrical, Television and Kine Employees, and the Electrical and Plumbing Trades Union, are also consulting their membership but because of the dispute at Paddington Station, London, NATKE officials expect some delay in its results.

Lord Ted Willis, president of the Writers' Guild, yesterday offered to act as an arbiter in the dispute. He wrote to Alan Sapper and Sir Denis Forman, chairman of Granada Television, saying that he believed somebody not entirely outside the industry might be able to understand the problems better and help resolve them.

# Scots lorry drivers seek nearly 30% increase

BY NICK GARNETT, LABOUR STAFF

SHOP STEWARDS representing Scottish lorry drivers employed by private hire and reward haulage companies decided yesterday to recommend a national claim approaching 30 per cent.

This will be taken by Scottish union officials as a recommendation to a national Transport and General Workers Union delegates conference in London later this month.

The Scottish stewards agreed yesterday that the lowest basic rate in Scotland of £62.50 should be increased to £80 and the highest existing rate of £65 to about £85.

The delegates' conference will almost certainly hear recommendations from other regions for a higher increase.

Drivers in West Yorkshire accepted at a weekend mass meeting a deal lifting their highest rate of £64 to £76, an increase of 18.75 per cent. The settlement also increased sick pay and the overnight allowance and included, for the first time, a meal allowance. There was no change in working hours, however.

The Scottish recommendation, on behalf of 6,000 drivers directly affected by negotiations with the Road Haulage Association, also calls for a meal allowance and a £2 improvement in the existing £7.50 overnight allowance.

Stewards are also seeking an increase in holidays to five weeks—from the present three weeks after one year and four weeks after two years with the same company.

# Jenkin attacks 'political action' in Civil Service

BY ALAN PIKE, LABOUR CORRESPONDENT

SOME UNION leaders believe they have the right to use industrial power "to resist the decisions of a democratically elected Government."

Mr. Patrick Jenkin, Social Services Secretary, said yesterday.

Mr. Jenkin, speaking to the independent hospital group in London, said he was facing such action by two Civil Service unions over the Government's public spending curbs.

The public, he said, should understand that the dispute was not about pay, conditions, or jobs.

"What we are witnessing is yet another example of trade union action not for any legitimate industrial purpose, but for blatant political ends."

The Government wishes to make it abundantly clear, but leave to its own trade unions in the Civil Service, that we have been elected to carry forward the policies which we put before the people at the election. It is undemocratic and unconstitutional for any trade union to seek to use its power to inflict hardship on the public as part of a political battle with the Government of the day."

Mr. Jenkin said it was encouraging that some union leaders were now responding to rank and file demands that health insurance should form part of the employment package.

# Teletext aimed at exports

A NEW VERSION of teletext, the television information system, was launched yesterday by the BBC.

The system, developed by UK broadcasting companies, is aimed particularly at export markets.

It was developed in co-operation with Logica, a British software company, and allows the use of accents over letters. The British system had been criticised for failing to provide the extra characters needed for other languages.

The new system replaces the version designed in 1974. The BBC now has two types of teletext magazines which can be received on television sets with special decoders. One is for hard news, the other for entertainment.

# Import level overstated, claim stockbrokers

BY DAVID FREUD

THE LEVEL of imports over the first half of the year may have been significantly overstated, according to stockbrokers Wood, Mackenzie.

The official figures show that over the first eight months of the year import volume was running at a level 11 per cent higher than in the previous six months. By comparison export volume was unchanged.

The firm argues that one reason imports are likely to have been overstated is the rise in the sterling exchange rate through the first half of the year.

Invoices in foreign currency will have a bias towards overstating volume in a period of rising sterling, according to the firm. This has a bigger impact on imports than exports, since 70 per cent of imports are invoiced in foreign currency, compared with 30 per cent of exports.

In its latest economic monitor, the firm argues that support for its view comes from the sterling exchange rate itself, which heavy commercial demand would tend to weaken.

"Although sterling has fallen from the exceptional levels reached in the oil-induced spurt over the year as a whole the rate has been reasonably firm."

The distortion is also suggested by the expenditure estimate for Gross Domestic Product in the first half, which showed a substantial fall while the income and output balance there were sharp upturns.

The most likely reason for the low published expenditure figure for GDP, which the firm estimates is understated by up to £2bn for the first half, is that imports have been exaggerated.

# Fewer strikes at shipyards

HOURS LOST through strikes and stoppages in British shipyards fell by 53 per cent in the year to June 30. They were down to 240,944 compared with 529,488 in the 1977-78 period.

British Shipbuilders said yesterday. For the first six months of 1979, 92,000 hours were lost—37 per cent fewer than in the first half of 1978.

Five ships were held up at Liverpool yesterday because of the river tugmen's action in blocking the main Gloucester dock river entrance, which gives access to the £50m Royal Seaforth Dock.

# Murray urges 'realistic' labour relations style

THE GOVERNMENT and the CBI have the choice of conducting industrial relations either by "the bargaining table or the picket line," Mr. Len Murray, general secretary of the TUC, said yesterday.

He accused the Government of abrogating its responsibilities in not intervening in disputes. Such action often enabled both sides to find "a spare foot of ground to stand on without having egg on their faces," he said.

Mr. Murray was speaking at a luncheon given by Automatic Catering Supplies to celebrate the golden jubilee of the Automatic Vending Association of Britain. He said the benefits of new technology had to be shared.

The European TUC would be shortly launching a campaign for reduced working time. The unions were aware reduced hours could create problems of competitive costs. All countries had to make a start. The problem was how to do it in an orderly fashion.

"Instead of urging employers to man the barricades, the CBI and the Government had better start thinking in terms of realistic negotiations. What do they want—the bargaining table or the picket line?" he asked.

# BR Western Region disrupted by strike

BY OUR LABOUR STAFF

ALL RAIL services to and from Paddington, London, were halted yesterday during the second 24-hour strike by members of the National Union of Railwaymen in a dispute over reorganisation of the station's parcels depot.

The action had a much more severe effect than last week's stoppage because workers at the Old Oak Common signal box controlling Western Region lines between Paddington and Hayes, joined the strike.

There was a restricted service to Reading from the West. Many passengers joined Southern Region trains there for journeys to Waterloo. This was repeated last night for outward journeys from London.

Some passengers coming to London on the Western Region changed at Exeter to Southern Region trains for Waterloo.

The dispute is over management attempts to alter working rosters in the parcels depot and transfer some staff to other parts of the station.

There is considerable sympathy among some national union officials for management's efforts. But the union's executive has instructed the staff to strike because it says local management has disregarded negotiating procedures.

Mr. Sid Weighell, the union's general secretary, has warned that industrial action may be intensified unless management changes its position.

# APEX wins Schedule II claim

WHITE-COLLAR staff at Horizon Travel have been awarded salary increases by the Central Arbitration Committee following an application by the Association of Professional, Executive, Clerical and Computer Staff (APEX).

The union said yesterday that the award, following a claim under Schedule II of the Employment Protection Act, amounted to 10 per cent on salaries, backdated to May, and a substantial improvement in sick pay.

The committee agreed the award after comparing rates paid at Horizon with those in other four-operating companies.

**LET YOUR BUSINESS GROW IN INDUSTRIAL CUMBRIA**

For details contact: Bob Chidley, Industrial Promotion Officer, Cumbria County Council, 84 Warwick Road, Carlisle, Cumbria CA1 1DZ. Telephone: Carlisle (0228) 25456.

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LOMBARD

First pick your horse

BY ANTHONY HARRIS

THE WARNINGS to the Government of the dangers of deflationary overkill from its monetarist friends continue to accumulate. First Gordon...

Policy action

These all sound like versions of the same story, but they differ more than a little. Gordon Pepper is essentially arguing that a monetary target is a target, not a maximum, so a deviation up or down from the targeted rate calls for policy action. The policy action he favours is monetary growth does begin to lag is to ration gilt sales.

Buckmaster and Moore have a rather similar philosophy—a monetary policy is a monetary policy and not a recession policy; but their worry is rather the statement in the last Bank of England Bulletin that interest rates must be kept up until inflation begins to abate.

However, for those of us whose faith in monetary magic is a little wobbly, this could lead to the right statistics but the wrong answer, for when

Hydrangeas: litmus paper of the garden

MOST GARDENERS, I have to assume, do not agree with my ideas. When laying out their gardens they look round to see what other nearby gardeners are growing and then plant it for themselves.

They like heathers and confers, big cactus and dahlias and bushes of yellow Forsythia. They do not want to bother with old roses which flower until October because their new floribundas will last until November without any advice.

First place

The hydrangea is given first place. It is excellent value if you know how to grow it well and how to pick a good one. Its one fault is that nobody ever pronounces it properly.

Although Lester Pigott, riding the Vincent O'Brien-trained Monroe, will ensure plenty of support for Mr. Robert Sangster's filly, I doubt

RACING

very much if she has the class to win again. Two better prospects are almost certainly Legende and Luck of the Draw.

Dick Hern's West Isles team has fared well on the Rowley Mile course in the past 10 years with top-class performers such as Brigadier Gerard and Highclere among his winners. He saddles Sir Michael Sobell's Luck of the Draw.

back where they started. The moral here is to feed them in spring and early summer, but no later. The moral extends to pruning too. It is most tempting to prune hydrangea in the wrong way.

When I hear complaints against these shrubs, they are usually from owners who are too free with the cutters too late in the season. Hydrangeas are

GARDENS TODAY

BY ROBIN LANE FOX

These will stay white anywhere, though in sunlight they age to a rusty pink. But the shades of blue and pink can be pushed around.

It is more difficult to influence them if you live on a very limey soil. Your hydrangeas will have a rich pink flower and perhaps some yellow leaves. Although you can feed them on Sequestrine to counter the yellow in their leaf, you cannot change the flower from pink back to blue.

Neutral or slightly acid soil is more common, especially in towns. Here, you have great powers, for this soil leads to those mauve-pink and blue-purple heads which can look horribly bluish. The soil is not quite acid enough. It will tip the flowers to a good blue if you

heroine, Liang, recently completed the double with a game Salisbury success over Lucinda Light.

WORTH TRYING LUCK OF THE DRAW
ELEVEN PREVIOUS winners clash in this afternoon's renewal of the William Hill-sponsored Rowley Mile Chase at Newmarket. The race has all the ingredients of a fine spectacle.

Regulator

Indeed, planning the public services should basically be a long-term matter, it is one of the data before you take fiscal decisions. If after taking the strategic decisions about public spending there seems to be a danger that activity and monetary growth will fall faster than policy requires, you would suggest yet a fourth horse, trained by the late Selwyn Lloyd—the nearly forgotten fiscal regulator.

Of course regulating the economy is out of fashion, so perhaps it needs a more monetary title; but surely the most constructive way to get money into circulation is to cut taxes. And no doubt the most

newspaper, 5.10 Grandad. 5.35 Noah and Nelly. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide. 6.45 Angels. 6.45 News. 6.55 Mastermind. 7.10 Star Trek. 8.30 Rings on Their Fingers. 9.00 News. 9.25 Sportsnight. 10.45 Parkinson. 11.45 News Headlines/Regional News.

Wales — 11.02-11.22 am I Ysopod. 8.10-8.40 am Billie's car. 5.55-6.20 Wales Today. 6.45 Heddidi. 7.05 Pawb Yn Ei Fro. 7.35-8.00 Angels. 11.45 News and Weather for Wales.

Radio Wavelengths
1 105.8MHz/250m 3 98.8MHz/435m
2 101.9MHz/277m 4 92.7MHz/300m

F.T. CROSSWORD PUZZLE No. 4089
Across
1 Renegade may change his side (8)
5 Castigator of sailor and employer (8)

Down
1 Stumble over the French trouble (6)
2 Turn over rubbish before the tea break (6)
3 Healing, using copper band (5)

THE BANKER
Some of the forthcoming Special Reports to be published in THE BANKER
OCTOBER 1979 FINANCING COMMODITIES
NOVEMBER 1979 FOREIGN BANKS IN LONDON
DECEMBER 1979 ARAB BANKING
JANUARY 1980 THE EUROMARKETS
FEBRUARY 1980 NEW YORK AS A FINANCIAL CENTRE
MARCH 1980 BANKING TECHNOLOGY
APRIL 1980 WORLD SAVINGS BANKS
MAY 1980 ASEAN AND FAR EASTERN FINANCIAL CENTRES
JUNE 1980 TOP 300 WORLD BANKS

سكان من الأحول

THE ARTS

صكمان الفن



Vivien Townley

Leonard Burt

Covent Garden

Thérèse by ANDREW PORTER

Thérèse, commissioned by Covent Garden, completed in 1976, and first performed on Monday, is a one-act opera by John Tavener (it lasted 95 minutes) which dramatises some incidents in the life of a saint whose life contained little outward incident, and is specifically concerned with what the librettist, Gerard Larnon, describes as Thérèse's terrible journey to Heaven by way of Hell. Thérèse Martin, the daughter of a Normandy watchmaker, entered a Carmelite cloister in 1888, at the age of 15. Two of her sisters had preceded her there, and soon she was joined by another sister and a cousin. In 1895, she wrote, at her sister's request, a private "family souvenir," an account of her childhood and first years in the convent. In 1896 she set down an account of a childhood dream that confirmed her yearning to become a Bride of Christ. In 1897, as death approached, she wrote a further instalment about life in the convent and—a term as Mistress of the Novices had evidently clarified her ideas, and now she was writing to be read more widely—included her thoughts about faith, prayer, and charity. She died at the age of 24.

"les années les plus aimables, les plus fructueuses, de toute notre vie"—is a difficult creed to embrace, but it is one way of coming to terms with the horrors of the world. The opera does what it can to make dramatic the presentation of a heroism that was essentially unheroic, unprotesting, passive. The music is in Tavener's familiar vein: sweet streams of mellifluous high melisma; wide-ranging, complicated chorals long sustained or reiterated as ostinatos; innocent children's songs decked in the pretty patter of little bells; Stravinskian, even Orffian, motifs rapped out in the active and violent passages; drums and trumpets crashing and pealing in from distant stations. It is impressive, and much of it is beautiful. But sometimes the thought arises that Tavener has found too ready a formula for distilling ecstasy. And the very nature of the piece requires submission to the repetitions and the slow pace of a rite.

Television

The Englishness of it all

by CHRIS DUNKLEY

Never before in the history of "the dooply" (as the Annan Report habitually described the BBC and IBA) has it been so easy to compare the achievements of the two sides in a new autumn season, the season which has been established for some years now as television's most exciting.

Taking first the extraordinarily radical minimalist approach of commercial television, it must be said that considering the slowness of their scheduled two white-lettered captions on royal blue backgrounds, one for the period of schools programmes and the other for the rest of the day and night—one might have hoped for better structure in the main offering. It reads:

Because of the present industrial dispute we are sorry that there will be no programmes on this channel today. We will give you more information when we can."

Cause, effect and apology have been mixed up so that it sounds as though the anonymous message-senders are implying that if it weren't for the industrial dispute they would be very happy about the lack of programmes. Surely it would be better to say "Because of an industrial dispute there will be no programmes on this channel today. We are sorry" or "We are sorry that, owing to an industrial dispute, there will be no programmes on this channel today." These alternatives are offered free of copyright.

Let us hope however (even if after the recent voting of the TV technicians we hardly expect that such captions will soon become unnecessary. The reduction of sources from a dooply to a monopoly impoverishes the viewer, and even the BBC would like to see ITV back on the air.

Shawn Sutton, head of BBC drama, expressed a widespread corporation attitude when he asked: "What satisfaction can you take from tremendously high ratings if there's no opposition? I think our autumn schedules would have been highly competitive but without ITV on the air how can we be sure?"

The only hint of a silver lining is that the absence of ITV programmes offers a unique opportunity for assessing the BBC's output in isolation without even the possibility of being confused or distracted by other programmes. Thus ironically ITV's troubles serve to concentrate the mind on the activities and problems of the BBC.

The questions raised by such exclusive viewing include: Whether Brian Venham's determination to win bigger audiences for BBC 2 might mean the development of a second middle-of-the-road channel (to be joined by a third when ITV returns, and perhaps a fourth when ITV 2 opens) leaving nothing more demanding or fulfilling anywhere on British television.

How far the BBC's increasingly serious poverty is evident on screen. Whether the BBC's new late



Terence Rigby and Alec Guinness in 'Tinker, Tailor, Soldier, Spy'

piece of Englishness. Of course it is other things too: it is yet another proof (as though it were needed) of the very powerful position still occupied by film in the electronic world of television. The sequence at the beginning of the opening episode, starting with Ian Bannen as Frideaux shooting in his car at the Czech border while children make faces and lories pull up behind, and ending with a terrifying chase through a wood and the shooting, was pure cinema. Tony Pierce-Roberts' lighting camerawork is also filmic to an almost though not quite exaggerated extent: the series is beautifully lit.

Such care in small details is typical of the production as a whole which is unlike anything else I can recall on television, except for some aspects of the 1977 BBC2 series Murder Most English. TTSS has very little narrative drive; indeed rather little plot. The mystery—which of four top London Secret Service men is a traitorous "mole"—was set up in Episode 1, and there has been remarkably little in the way of dramatic events since that opening Czech

sequence (which, amusingly, was itself not necessary in any explicit form except as an audience teaser). Originally, as in The Scarlet Pimpernel, spies were dashing and glamorous. Then in the 1950s and 60s they were shown as sordid and even despicable: Callan, with his dependence on a pathetic figure named Lonely, was quite loathsome at times. In TTSS something much more subtle than either sordid or glamorous characterisation is being essayed: we are being shown the enclosed society (The Circus) within a society (post war Britain) which earlier harboured Kim Philby. Neither personal nor political power are of paramount importance. The interest of TTSS is closer to anthropology.

The props and locations and reminders of Empire are in evidence. London's West End has rarely been so scrupulously filmed since the days of the Ealing movies. Gentlemen talk in London clubs, Bond street shops post orders to their clients. A statuette of Churchill is glimpsed on the table behind the door in the Circus office in the pre-credit sequence of Episode 1. Director John Irvin

DISCOVER THE UNEXPECTED AT AUSTIN REED.

Advertisement for Austin Reed featuring a large illustration of a man in a suit and a testimonial text: 'One of a wide selection of Oscar Jacobson suits, a top name in Swedish tailoring, excellent value at £120 for a quality pure new wool suit and ideally complemented by an impressive selection of shirts, ties, shoes and accessories. You can pay with an Austin Reed subscription account: £10 per month allows you to spend up to £240. We also welcome all major credit cards. And don't forget to call in and pick up your complimentary copy of SUMMIT, the Austin Reed magazine. AUSTIN REED'.

New End

Adam's Apple

by MICHAEL COVENEY

For a play that sets out to be serious about the problems of being a transsexual in our society, Peter Simpkin's piece contains an astonishing blunder. Terry proves her suppressed masculinity to a bemused trainee cab driver lover, David, by thrusting her Adam's apple at him. "Only men have Adam's apples," she cries. At which point David throws her to the ground and attempts to strangle her. Now Amanda Boxer, who plays Terry, has a rather beautiful Adam's apple, more prominent than in many women, and I assume she is not a transsexual. "Did nobody notice this in rehearsal?"



Tim Stern and Amanda Boxer

This flaw in Mr. Simpkin's play is as major as it is silly, for much of the second act's comedy is built around Terry's fear that David's Jewish family in Southgate might notice her thoracic lump. By this time David and Terry have decided to make a go of things and to face out a society they rightly take to be hostile. Shades here of Osborne's Under Plain Cover, in which a married brother and sister heavily into sadomasochism, are humbled by a scrupulous journalist. The Jewish in-laws mumble round their candles after attending David's funeral. He slit his wrists. David's sister barks obscenely at the waiting Press while Terry slips away, despitely and, once more, alone.

Advertisement for 'Important Auction Sales' from October 25th to November 10th, 1979. It lists various art collections including paintings, watercolors, graphic works, and sculpture. It also mentions 'Important Jewels' and 'European Porcelain and Faience'. The auction is held at Galerie Koller Zürich.







Companies and Markets

# UK COMPANY NEWS

## Hunting Petroleum rises to £1.2m at halftime

ON TURNOVER ahead from £70.8m to £75m Hunting Petroleum Services, which was incorporated in 1978, raised pre-tax profits from £883,000 to £1.2m in the first half of 1979.

The directors say contributors to increased profit are oil broking and distribution and turbo drilling. The latter is in contrast to last year when the unit in North Sea activity affected profits.

Assuming no further significant movements in sterling pre-tax profit for the year should show a satisfactory increase over 1978.

The interim dividend per 25p share is 1.5p net, against 1.4p. The total payment last year was 4.85p from taxable profits of £2.08m which were down on the forecast made in the offer for sale document.

The shortfall was mainly due to the strength of sterling and an unexpected absence of the seasonal upturn in North Sea activity, the directors said.

Half yearly UK tax takes £222,000 (£72,000), overseas taxation £115,000, against £281,000, and minorities £105,000, compared with £106,000. Basic earnings per share are down from 6.6p to 5.9p and fully-diluted from 5.7p to 5.22p.

The group's activities include crude oil marketing, storage and distribution, drilling, heating oil distribution and oil and gas exploration.

### comment

With a heavy reliance on Canadian earnings, interim profits from Hunting Petroleum are still clearly affected by a hefty currency adjustment but the group seems set to put the disappointments of 1978 behind it. The third quarter in Canada is the most important and the weather will obviously play a large part, but the tightening of oil supplies in all operating areas has been largely responsible for the upturn in broking activities in France and the UK distribution network. After a period of sluggish activity last year, the level of North Sea work has risen to the benefit of the turbo-

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**  
Intarime-British Synthon, Enloy Packaging, Healden-Sunat Plant, Holt Lloyd International, Third Mile Investment Trust.

**Friday—Barclay Tis and Williams, F. Copson, Lydenburg Platinum, Reims Engineering Industries, Sidor.**

| Company   | Date    |
|---|---------|
| Bank of Ireland   | Nov. 6  |
| Bank of Montreal  | Oct. 9  |
| Bank of Scotland  | Oct. 10 |
| Banc  | Oct. 25 |
| Brunel (Museum)   | Oct. 11 |
| Carrife Engineering   | Oct. 15 |
| Combined English Stores   | Oct. 10 |
| Sils and Guidelines   | Oct. 10 |
| Farnell Electronics   | Oct. 9  |
| Fogarty (E)   | Oct. 10 |
| Home  | Oct. 4  |
| London Atlantic Investment Trust  | Oct. 28 |
| Martin-Brook  | Oct. 11 |
| North British   | Oct. 12 |
| Sandeman (Geo. G.)  | Oct. 12 |
| Southampton, Isle of Wight and South of England Royal Mail Steam Packet | Oct. 5  |
| Spirax-Sarco Engineering  | Oct. 16 |
| Finals  |         |
| Crawley Printing  | Oct. 10 |
| Forward Technology  | Oct. 18 |
| Photo-Mile International  | Oct. 11 |

drilling operation and halfway profits climbed by 22 per cent. Some freeing of the oil market since the summer suggests that the second half growth rate may be a little weaker but Hunting should be capable of doubling first half fully taxed and diluted first half earnings. The prospective p/e would then be 12.3 and a yield of 5.6 per cent may be in sight if the total is lifted to 5p net per share.

## Black-Clawson recovers to £565,000

A turnaround from a pre-tax loss of £1,124,284 to a £565,496 profit is reported by Black-Clawson International, paper mill machinery maker, for 1978. Turnover went ahead from £542m to £575m.

Trading profits rose from £80,098 to £456,825, while the pre-tax result included a rates rebate of £106,671 (nil) but was struck last time after a £1,184,382 provision for non-current debtors.

Tax takes £5,000 (nil) and the deficit carried forward was reduced from £1,471,212 to £910,716.

The company is held ultimately by Parsons and Whitmore Inc. of the U.S.

## Midland News at £1.73m

ON TURNOVER up nearly £5m from £15.5m to £20.4m, taxable profits of Midland News Association fell slightly from £1.55m to £1.73m for the first six months of 1979.

The directors hope the same level of profits will be maintained during the second half.

Profit for the whole of 1978 was a record £3.7m.

Following the group's reorganisation, only £1.38m of profits relate to the publishing companies, directors state.

## Downturn at Milford Docks

AFTER DOUBLED depreciation of £45,272 against £22,068, pre-tax profits of Milford Docks Company fell from £173,820 to £131,205 in the first half of 1979.

The surplus includes lower exceptional credits of £18,823 compared with £42,532 last time.

The directors say turnover was slightly down at £1.14m (£1.28m) because of a £150,000 drop in tanker repairs. Considerably increased capital purchases at end-1978 led to the higher depreciation, they add.

Tax for the half-year took £56,602 (£38,365). Retained profit came through at £38,911, against £37,265.

Interim dividends totalling 3.48p net have already been paid. In 1978 there was a single payment of 2.94p, when profits were £232,000.

## Good start by English Association

Good trading in the first three months of the current year is reported by Mr. A. C. Parsons, the chairman of the English Association of American Bond and Shareholders and the board is confident that business will continue to increase in each of the group's activities.

Members are told in the annual statement that despite the board's concern regarding the effects of the continuing high rate of inflation on overhead expenses, it is hopeful that current year results will compare reasonably with the previous year.

Meeting: Salter's Hall, Fore Street, EC, October 26, noon.

## Pochin's lifts payment

BUILDER and civil engineer Pochin's reports record pre-tax profits of £725,252 for the year to May 31, 1979, against £703,182 last time.

The final dividend is raised to 8.125p (4.274972p) making 9p for the year against a total last time of £1.49972p. Earnings per share were lifted from 44.37p to 88.88p.

After lower tax of £113,124 (£241,759), net profit came through at £612,128 compared with £461,423.

Profits fell in the first six months to £273,404, against £430,740 for the same period last year, although this latter figure included a special contribution arising from a completed development contract.

At that stage the directors reported that the company was suffering the effects of the past winter and, to a lesser extent, from industrial disputes in other industries, but forecast that final results would compare reasonably with previous years.

Mr. C. W. T. Pochin, chairman, says an apparent fall in turnover from £12.95m to £12.65m results from development contracts being held as work in progress until completed and sold.

He adds that contracting margins remain depressed and new work difficult to come by. Nevertheless the work load ahead can be considered satisfactory.

Pochin's development subsidiary is engaged on one major project which hopefully will be making some contribution to profits next year, and has begun work on a further block of flats at Llandudno which is expected to be completed in 12 months' time.

Ten acres of land have been acquired for industrial development in Pochin's base town of Middlewich on which work should begin early in the new year.

So far the current year is much in line with expectations, report the directors, and, while not anticipating any dramatic expansion, they hope the company will be able to hold its own in what will undoubtedly be continuing difficult times.

### KELLOCK

In last Saturday's Summary of the Week's Company News, the net interim dividend of Kellock Holdings was incorrectly shown as 0.5p (same) per share. In the event, no interim payment has been made, as in the previous year.

The board forecasts that current year results will show a material improvement over 1978 and, should this occur, it intends to recommend a similar dividend to last year's single 0.5p.

# WE'RE AS SOLID

**THE PUGH IRON ORE**

— Two deep-seated iron ores (50-60% natural Fe) Super stock lines, ahead dry coarse, washed coarse (natural) Pellet-making grade

— Production of 5 million tons p.a. (1978-79)

— All with iron content of 60-65% including Super Stock, one of the largest iron deposits of the world.

— Guaranteed production capacity of 27 MMTPA per year

— Two deep-seated iron ores (50-60% natural Fe) Super stock lines, ahead dry coarse, washed coarse (natural) Pellet-making grade

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**NOTICE**

**To the Holders of**  
**AUTOPISTAS DE CATALUNA Y ARAGON**  
**CONCESIONARIA ESPANOLA S.A.**

**Kuwait Dinars 6,000,000**  
**3/2 percent Guaranteed Notes due 1985**

Holders of any of the above notes have the option to have such notes redeemed by the Company at 100 percent on April 15, 1980.

Any holder wishing to exercise this option must deposit at any time between 1st November and 30th November 1979 the notes to be redeemed with either of the following Agents:

**Kuwait International Investment Co. s.a.k.**  
Al Mullah Building, P.O. Box 100, Kuwait

**Kreditbank S.A. Luxembourg**  
37 Rue Notre Dame, Luxembourg


by

**Kuwait International Investment Co. s.a.k.**  
as Fiscal Agent

We Are Pleased to Announce the Following Partnership Changes Effective October 1, 1979

|  |                         |
|--|-------------------------|
| PETER W. CERTO   | STEVEN D. GRAND-JEAN    |
| E. CRAIG COATS, JR.  | JAY F. HIGGINS          |
| JOHN M. DONOVAN  | JAY L. LASSNER          |
| RONALD M. FREEMAN  | NORMAN J. LEVY          |
| TULLY M. FRIEDMAN  | JAMES L. MASSEY         |
| PETER A. GORDON  | JOHN J. O'BRIEN         |
| JOHANN H. GOUWS  | RONALD M. STUART        |
| RICHARD L. GRAND-JEAN  | WILLIAM J. TIERNEY, JR. |
| WILLIAM N. WIGHT   |                         |
| Have Been Admitted as General Partners   |                         |
| PHILIP M. LAW, JR. DONALD M. MUTSCHLER   |                         |
| Have Been Appointed Special Partners   |                         |
| ARTHUR K SALOMON   |                         |
| Formerly a General Partner Has Become a Limited Partner  |                         |
| <b>Salomon Brothers</b>  |                         |
| One New York Plaza, New York, N.Y. 10004   |                         |
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Companies and Markets

UK COMPANY NEWS

**Wiggins group**

Construction • Property • Engineering

|                       |        |        |
|-----------------------|--------|--------|
| Results to 31st March | 1979   | 1978   |
|                       | £      | £      |
| Turnover              | 22.4m. | 19.1m. |
| Pre-tax profit        | 0.53m. | 0.41m. |
| Total dividend        | 1.9p   | 1.649p |

- ★ All sections of the Group's activities have contributed to the highest turnover and profit in our fifteenth year as a public company.
- ★ Despite exceptionally bad winter weather, contracting has contributed at a satisfactory level.
- ★ Estate development is increasing at a steady pace and we have improved our stock of land.
- ★ Design and building activities are expanding especially in the industrial field.
- ★ The Group's motor interests are well established and growing.
- ★ Although our industry is experiencing the worst labour shortage in my memory we have a first class training scheme to help mitigate this.

C. C. Wiggins, Chairman.

Wiggins Construct Limited, 57 Hart Road, Thundersley, Benfleet, Essex SS7 3PD

**H. Samuel advances to £3.2m in first half**

PROFITS before tax of H. Samuel, multiple retail jeweller, rose from £2.33m to £3.22m in the half-year to August 4, 1979. For the whole of last year, the taxable surplus reached a record £13.43m. The directors expect the full-year results to be satisfactory. Although since mid-June trading has been disturbed by the VAT increase, and no pattern has yet emerged, it is the second half including Christmas which makes the major contribution to group earnings.

As usual, the board intends to declare an interim dividend in February 1980.

Tax for the half-year took £1.15m, against £1.05m. Attributable profit came through higher at £2.77m, compared with £1.94m, after extraordinary credits of £704,000 (£62,000).

• comment

Some unexciting news came out from H. Samuel yesterday and the market yawned, sending the share price down 4p to 185p, despite a small increase in pre-tax profits. The key point is that interim figures are not crucial for this company; it is the November-December period which is most important. The interim figures also include

several weeks under the new VAT regime, but it is probably too early to discern the impact of this feature of the June Budget on the company's performance. The group plans not to pass gold price increases directly to customers, but rather to "average out" higher costs in the manufacture of gold jewellery, thus diluting the surge in prices. The Board will not announce an interim dividend until February, 1980, but a repeat of last year's total could yield a prospective 5 per cent.

**George Ingham passes interim dividend**

Again the directors of George Ingham and Co. (Holdings), worsted spinner, are not paying an interim dividend, Mr. J. M. C. Mollett, chairman, tells shareholders in his report for the first half of 1979.

They feel it prudent not to pay, in view of the present high interest rates—the last interim was 0.25p in 1976.

The chairman states that the company has a good order book

and it is now running longer hours on the new plant. It is hoped to increase the production of this machine which is the more profitable side of the business, and at the same time cut back on production of the other older machinery.

Certain benefits of this policy should be seen this year, but providing there is no serious fall-off in trade the full benefits will be felt in 1980, he says.

The bank overdraft was further reduced during the six months, Mr. Mollett adds.

As reported on August 29 profit for the first half of 1979 came out at £25,290 (£21,304). There was no tax. Earnings were 1.26p (1.07p) per share. Pre-tax loss for 1978 was £8,498.

**COMFORT HOTELS**

Because of a printing error the prospective fully taxed p/e of Comfort Hotels International at 27p was shown at 2.7 yesterday. It should have read 12.7. The net interim dividend has been raised by 20 per cent.

**DANDO RESIGNS**

Mr. Brian Dando, managing director of Derritron, the electronic equipment manufacturer, has resigned.

**Anchor Chemical ahead at midway: sees further rise**

AFTER MORE than doubling half-time profits Anchor Chemical is forecasting a significant increase on last year's depressed year-end surplus. On turnover ahead from £5.8m to £7.16m, pre-tax profits for the first half of 1979 were lifted from £163,000 to £350,000.

The interim dividend is being raised from 2.07p net to 2.38p. Last year's total payment was £500,000 from a taxable surplus of £424,000, against £806,000.

The board says the chemical and plastics group made significant increases in exports from the UK and sales by overseas subsidiaries. The directors add that trading at the improved level has continued into the third quarter.

But while looking for a significant year-end increase they warn that the uncertain economic conditions give concern for the level of business activity at home and abroad in the last few months of the year.

• comment

Some better than expected news from Anchor Chemical sent the share price up 5p to 55p yesterday. The more than doubled pre-tax earnings continue the upturn which began in the latter part of 1978. Although the main

boost—surprisingly—has come from the group's overseas interests (which, together with exports represent more than half of turnover), its programme of diversification also seems to be paying off. But despite the solid half-time showing, the company's chequered history should be kept in mind. Most observers are hoping for a return to the 1977 profit-level of £800,000, or more, but this can not be taken for granted. The net interim dividend has been increased by 15 per cent, and a 10 per cent hike over last year's total could yield 9 per cent, which is above the historic average of the chemicals sector. The prospective p/e could stand at 8 this year, if a full tax charge is applied.

**Downiebrae up £60,000 at halftime**

Profits before tax of Downiebrae Holdings increased from £233,000 to £293,000 for the first half of 1979, on turnover of £3.45m compared with £2.6m. The net interim dividend is stepped up from 0.75p to 0.9p per

10p share—last year's total was 2.56p on £24,000 taxable profits. Tax for the six months takes £152,000 (£121,000), giving net surplus up from £112,000 to £141,000.

**Emray rises to £98,000**

A £50,000 increase in pre-tax profits to £98,000 is reported by Emray, the industrial holdings group, for the first half of 1979. Turnover advanced from £1.25m to £1.73m.

The board says progress is being in building a sound industrial base and the group is constantly striving to improve performance and seek further opportunities. Total pre-tax profits last year were £182,000.

In May 1978, with effect from January the following year, the group sold its Zambian interests and subsequently acquired Reid and Lee, the motor distributor.

There was again no tax charge for the half-year.

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**BUNZL PULP & PAPER LTD Interim Report 1979**

Unaudited results for the half year ended 30th June 1979 and the adjusted comparative figures for 1978 are

|   | Six months to 30th June |         | Year 1978 |
|---|-------------------------|---------|-----------|
|   | 1979                    | 1978    |           |
| Sales   | 110,725                 | 104,144 | 206,250   |
| Trading profit                                | 7,232                   | 5,252   | 10,112    |
| Share of associates' profit                   | 1,531                   | 1,987   | 3,602     |
| Net interest and dividends                    | 646                     | 648     | 921       |
| Group profit before taxation                  | 8,177                   | 6,701   | 12,793    |
| Taxation                                      | 2,947                   | 2,359   | 4,503     |
| Group profit after taxation                   | 5,230                   | 4,342   | 8,290     |
| Minority interests                            | 503                     | 489     | 915       |
| Earnings for shareholders                     | 4,727                   | 3,853   | 7,375     |
| Extraordinary items                           |                         |         |           |
| Currency losses/gains                         | 2,947                   | 742     | 280       |
| Other   | 84                      | 287     | 330       |
| Earnings after extraordinary items            | 1,864                   | 4,298   | 7,325     |
| Earnings per share before extraordinary items | 18.1p                   | 14.7p   | 28.2p     |
| Dividends per share                           | Interim                 | Interim | Final     |
| Net to shareholders                           | 3.83p                   | 3.191p  | 2.285p    |
| Gross equivalent                              | 5.47p                   | 4.763p  | 3.410p    |

Group profit before taxation for the first half of 1979 is appreciably better than the same period last year. Earnings per share are up 75% on the figures reported at this time last year. After adjusting the comparative tax figures, this increase is 23%. The improvement is due to a return to profits at Bunzl & Biach A.G. and better results from most other group companies. Had it not been for the strengthening of the pound sterling over the six months and its effect on the translation of overseas companies results pre-tax profits would have been £612,000 higher.

In accordance with the new standards for the treatment of deferred taxation, the charge for taxation no longer provides for this in full. Comparative figures have been corrected to the new basis. The year-end accounts will show a release of £4.6 million from the provision for deferred taxation, being the amount no longer required.

The currency loss of £2,947,000 included in extraordinary items arises from the strength of the pound sterling and is principally the amount by which the sterling value of the Group's net assets overseas has fallen during the first half of 1979.

The Directors have decided to pay an interim dividend for 1979 of 3.83p a share. This dividend will be paid on 28th November 1979 to shareholders registered at the close of business on 26th October 1979. The gross amount of this dividend including tax credit is 16% greater than the interim dividend for 1978 but represents an increase in the amount received by shareholders of approximately 20% due to a reduction in the basic rate of income tax.

Current trading conditions within the Group and the uncertain outlook of the world economies indicate that the second half-year is likely to produce lower earnings than the first. We expect, however, that the year as a whole will show better results than 1978.

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Registrar's Department  
PO Box No 82  
37 Broad Street  
Bristol BS99 7NH

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# UK COMPANY NEWS

## MINING NEWS

### German Creek coal is to be developed

BY JAMES FORTH IN SYDNEY

THE A\$400m (£206m) German Creek coal venture in Queensland is to go ahead. Although firm contracts are not yet held the Australian venture already holds several letters of intent, largely from European customers, which would more than absorb the initial output.

The German Creek consortium at present consists of Shell with 49 per cent, Austen and Burt, the Australian coal producer, with 30 per cent, the National Coal Board of the UK with 10 per cent, Ruhrkohle of West Germany with 10 per cent and Commercial Union of the UK with 2 per cent.

Shell has earmarked 13 per cent of its holding for sale to Australian interests. It is expected that after existing options are exercised that Shell and Austen and Burt will each hold just over 25 per cent with Ruhrkohle and the Coal Board each holding about 15 per cent. The venture is expected to come into production in mid-1982 at an annual rate of 2.5m tonnes a year, building rapidly to 3.25m tonnes, with room for subsequent expansion.

The go-ahead for German Creek will make it more difficult for the nearby Oak Creek project of Houston Oil and Minerals to proceed.

Houston, which had earlier announced plans to proceed with Oak Creek although no contracts were held, recently slowed down work because it had still been

unable to secure firm long term sales agreements.

Moreover, the Queensland state government has now allocated spare capacity at Uiah Interment group's Hay Point loader until 1983. This had been earmarked to Oak Creek but is now given to the German Creek consortium.

The state Government plans to build a second coal loader at Hay Point. German Creek will initially be mined by open cast operations but three underground mines will also be developed later.

### JIMBERLANA'S INDONESIAN EXPLORATION

Australia's Jimberlana Minerals says that the contract of work covering its West Irian exploration prospect has been ratified by the Indonesian Parliament. This marks the completion of years of negotiations between the parties.

Exploration in terms of the approved contract will start in early-1980. Past work carried out by Dutch Government geological teams in the area indicated anomalously high values of heavy metals, particularly zinc in stream sediments.

Because of these results, combined with accompanying geological features, Jimberlana is to

direct its exploration efforts to the discovery of porphyry copper type deposits of a kind found and developed at other localities in the archipelago.

### Arco signs up in Chile

ATLANTIC RICHFIELD, the U.S. oil group, and Anaconda Copper, its metals subsidiary, have formally signed a contract worth about \$1.5bn (£864m) with the Chilean Government to buy and exploit the undeveloped Los Pelambres copper mine, it was announced in Santiago yesterday.

The signing follows agreement last July to buy Los Pelambres from a private consortium for \$20m. Anaconda has pledged \$1.5m to develop the mine, but the first stage will be the expenditure of \$12m on a preliminary exploration stage during which it is hoped to discover fresh deposits.

Present ore reserves at Los Pelambres are put at 430m tons. The deposit is 180 miles north of Santiago, high in the Andes. Anaconda's return to Chile is part of a wider movement of U.S. mineral groups into the area. Exxon has bought the La Disputada copper mine and St. Joe Minerals is investing in the El Indio copper-gold-silver deposit.

### Deltight on target with £0.5m profit

Fulfilling their prospectus forecast of "not less than" £0.5m, the directors of Deltight Industries report pre-tax profits of £523,768 for the year to April 30, 1979, against £333,812 last year.

Turnover increased from £3.25m to £4.6m, in line with estimate—and rose again in the first quarter of the current year by 13 per cent against the same period in 1978. The directors warn, though, that it is too early to assess the effects of the engineering union's present industrial action.

The group, which manufactures and distributes fasteners and high precision components and assemblies, has spent £370,000 in the past year on modernisation of plant and equipment and increased capacity, reducing reliance on outside suppliers.

The directors say the year's improved figures justify the investment and change of direction. The reception of a new product, Flangeform, was encouraging from many parts of the world.

As forecast there is no dividend for 1978-79. At the time of the placing of 11.8 per cent of Deltight capital as an "unlisted security" under Stock Exchange rules on June 21, the directors said that if profits exceeded those for 1978-79, a total dividend of 5p net would be paid for the year ending April 30, 1980.

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### Hugh Mackay puts emphasis on home sales

In the current year, export sales of Hugh Mackay and Co., maker of "Durham" carpets, are down in both volume and value, but the difference has been made up in the home market. Mr. John Mackay, the chairman, says in his interim report.

New domestic ranges and qualities, which had been carefully researched, were launched at the end of August and early reactions are encouraging, he states.

This renewed emphasis upon domestic sales is additional to the company's on-going success in the contract sector and will be helpful in maintaining sales growth in what may prove to be a continuing difficult trading climate, members are told.

Mr. Mackay explains that higher oil prices have meant that the company has been forced to adjust its list prices three times this year. These adjustments together with the growing strength of sterling have made export prices more difficult for the company's export customers.

### NOLTON RESULT

Nolton announces that of the 988,340 new ordinary shares offered by way of rights, 963,388 (96.5 per cent) of the shares provisionally allotted were taken up.

### ASSOCIATE DEAL

Baring Bros. and Co., associates of Harrisons and Crosfield, purchased 50,000 ordinary shares in Harrisons and Crosfield on September 28 for discretionary investment clients.

### Better outlook at Smith Bros.

Steps have been taken to improve overall efficiency and to find ways of broadening operations at Smith Bros., the jobbing firm where last year pre-tax profit dived from £1.15m to £0.28m.

Given reasonable trading conditions Mr. A. J. Lewis, the chairman says he is confident that the company can return to an acceptable level of profitability.

On a current costs basis, along the Hyde Guidelines, for the year to May 4, 1979, Smith Bros. showed a fall from a £777,389 profit to a £191,413 loss. This was after meeting a £38,292 (nil) adjustment for cost of sales, £2,563 (£1,961) extra depreciation and a net monetary assets adjustment of £378,463 (£387,535).

At the balance date the company held bull positions on stocks and options amounting to

£17.58m (£10.28m) and bear positions of £10.32m (£7.84m). Secured bank borrowings stood at £16.4m (£12.41m) and cash at £74,842 (£33,762).

As reported with results and prospects on August 8 the net dividend for 1978-79 is 1.5p.

Slack trading for much of the year and a decline in profitability of international business caused the profit setback Mr. Lewis explains.

Smith's overseas-based broking and banking companies have continued to expand their share of international trading market. "They operate in a considerably freer environment than that which is permitted us by the Stock Exchange," the chairman comments.

"More than two years have now passed since the Stock Exchange started a comprehensive examination of the rules governing members' dealings in

international stocks," he says, pointing out that future company policy in this area must depend on the outcome.

Meeting, Institute of Chartered Accountants in England and Wales, EC, on October 25 at 12.15 pm.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / September, 1979

U.S. \$250,000,000

## Imperial Oil Limited

9 3/4% Sinking Fund Debentures Due 2009

Interest payable March 15 and September 15

Principal and interest payable in The City of New York in lawful money of the United States of America.

- Salomon Brothers
- Morgan Stanley & Co. Incorporated
- Merrill Lynch White Weld Capital Markets Group
- Dominion Securities Inc.
- Atlantic Capital Corporation
- Blyth Eastman Dillon & Co. Incorporated
- Drexel Burnham Lambert Incorporated
- Lehman Brothers Kuhn Loeb Incorporated
- Shearson Hayden Stone Inc.
- Warburg Paribas Becker A. G. Becker
- Bell Gouinlock Incorporated
- Nesbitt Thomson Securities, Inc.
- ABD Securities Corporation
- F. Eberstadt & Co., Inc.
- EuroPartners Securities Corporation
- Levesque, Beaubien Inc.
- New Court Securities Corporation
- Oppenheimer & Co., Inc.
- Thomson McKinnon Securities Inc.
- New Japan Securities International Inc.
- Sanyo Securities America Inc.
- The First Boston Corporation
- Goldman, Sachs & Co. Incorporated
- A. E. Ames & Co. Incorporated
- McLeod Young Weir Incorporated
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- Dillon, Read & Co. Inc.
- E. F. Hutton & Company Inc. Incorporated
- Paine, Webber, Jackson & Curtis Incorporated
- Wertheim & Co., Inc.
- Burns Fry and Timmins Inc.
- Pitfield, Mackay & Co., Inc.
- Allen & Company Incorporated
- A. G. Edwards & Sons, Inc.
- Robert Fleming Incorporated
- Kleinwort, Benson
- The Nikko Securities Co. International, Inc.
- Wm. E. Pollock & Co., Inc.
- Tucker, Anthony & R. L. Day, Inc.
- Richardson Securities Inc.
- Daiwa Securities America Inc.
- Equitable Canada Incorporated
- Ladenburg, Thalmann & Co. Inc.
- Moseley, Hailgarten, Estabrook & Weeden Inc.
- Nomura Securities International, Inc.
- Scandinavian Securities Corporation
- Stuart Brothers
- Yamaichi International (America), Inc.
- Nippon Kangyo Kakumaru International Inc.
- Ultrafin International Corporation
- Wood Gundy Incorporated
- Bear, Stearns & Co.
- Donaldson, Lufkin & Jenrette Securities Corporation
- Lazard Frères & Co.
- L. F. Rothschild, Unterberg, Towbin
- UBS Securities Inc.
- Dean Witter Reynolds Inc.
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clear overall view of Cardmember expenditure.

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There's a choice of billing methods to suit your company. For example you can choose to settle all Cardmember accounts with a single cheque.

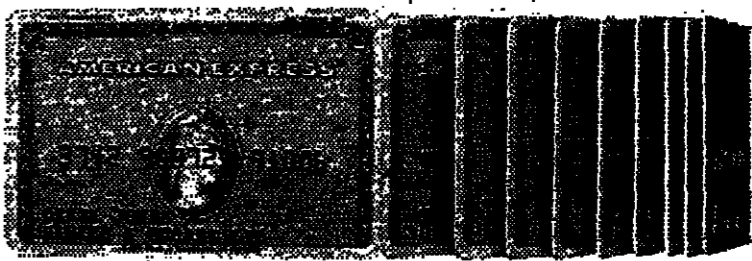
By eliminating large cash advances and gaining over four weeks' extra

use of your company's money, you can also substantially improve expenses cash flow.

The monthly statement of account is only one facet of the simplest, most efficient system for dealing with business expenses.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon.

And cut the hidden cost of business expenses.



To: The Manager, Company Cards, American Express Company, Freeport, P.O. Box 91, Brighton, BN2 1ZQ

Please let me have details of the Company Card System for 10 or more employees regularly incurring business expenses.

Name Mr/Mrs/Miss \_\_\_\_\_

Position \_\_\_\_\_

Company/Name and Address \_\_\_\_\_

MSA F.T.6

If you would like details of the system for 1-9 employees only please tick

## The American Express Card for Companies. -It's more businesslike.



APPOINTMENTS

Changes at Lesney Products

LESNEY PRODUCTS AND CO. GROUP. Mr. Malcolm R. Pyle has made the following appointments: Mr. Elliot D. Harrowe, Mr. John C. Minall and Mr. Peter F. Slade, are made directors. Mr. Slade, group treasurer, becomes group financial director. Mr. Minall, chief executive of the European operations division of Lesney International, will be appointed managing director of that company at the end of this financial year. Mr. Harrowe is chief executive of the American operations division of Lesney International, encompassing the whole of North and South America. In view of the expansion of the group's American interests, that division will be reconstituted at the end of this financial year as a separate primary subsidiary of Lesney Products and Co. with Mr. Harrowe as president. At the end of the current financial year, Mr. Paul Tappscott will retire from the chairmanship but will continue as a non-executive director, concentrating particularly on financial matters. Mr. Leslie Smith will become chairman and chief executive officer. Mr. Anthony Floyd will become managing director.

Mr. Keith Stetzel has joined the board of WIGHAM POLAND REINSURANCE BROKERS as director responsible for marine reinsurance business.

Mr. D. C. F. Bateman has retired from GRIEVBON, GRANT AND CO.

Mr. E. J. Canning has been appointed director of industrial relations for the two Unicorn Group companies at Stafford: UNIVERSAL GRINDING WHEELS and UNIVERSAL ABRASIVES.

COUNTY BANK, the London based merchant banking subsidiary of the National Westminster Bank Group, has appointed Mr. Cornelius E. Smith as regional director for North America.

Mr. V. P. Marcelland has been appointed chief executive UK operations of ENGELHARD INDUSTRIES and Mr. J. P. Muller has become marketing director.

Mr. Roger E. Farris has been appointed secretary of TWILL.

Mr. D. J. Hartley, has been appointed installation and production director of NATURAL ENERGY, St Helier, Jersey, Channel Islands.

Mr. Leslie Harkness has moved up from managing director to chairman of the Board at WARNER AND SWASEY TURNING MACHINES, Halifax.

Mr. David F. Jaggs has been appointed managing director of FORTNUM AND MASON.

Mr. Martin Jacobson has resigned from the board of JOHN MOWLEM AND COMPANY owing to increased commitments elsewhere.

Mr. Brian Betts has been appointed exhibitions director of LOOK LIVELY, a subsidiary of Lea Valley Colour Laboratories.

Mr. Malcolm Glover Thomas has been appointed group chief executive and a director of the COMMERCIAL BANK OF WALES.

Mr. Kenneth Johnson has been appointed to the board of UNITED SPRING AND STEEL

Mr. Malcolm R. Pyle has been made company secretary. Mr. David Wild who was previously company secretary and financial director will now devote his time fully to that of group financial director.

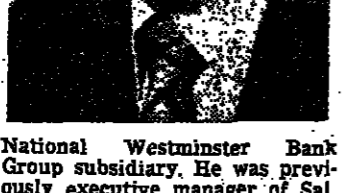
Mr. Peter W. Dale has been appointed managing director of AUTOSENSE EQUIPMENT, a part of United Technologies Corporation.

Mr. Anthony Eady has been appointed company secretary of LAZARD BROTHERS AND CO on the retirement of Mr. Rupert Mahaffy.

Mr. Stuart Bagshaw has been appointed deputy managing director of SYSTEM INDUSTRIES (EUROPE).

Mr. Chris Shirliffe has been appointed to the Board of SECURICOR INTERNATIONAL, the holding company subsidiary of Security Services, as finance director.

Mr. Georg Meidenbauer has been appointed chairman of the managing board of the Cologne-based GLOBAL BANK AG, a



National Westminster Bank Group subsidiary. He was previously executive manager of Sal. Oppenheimer Jr. and Cie.

Mr. Andrew Brown has been appointed managing director of DEEPSHORE ENGINEERS, a member of the International Nitro Nobel Group.

Mr. Walter Miller, the deputy city treasurer, has been appointed treasurer for the CITY OF BRISTOL. He succeeds Mr. Ralph Egarr, who retires in April 1980.

Mr. Geoffrey C. Patterson, non-executive deputy chairman, has become non-executive chairman of WILLIAM MUIR (BOND. 9) following the death of the chairman Mr. Donald Smith. Mr. Alastair S. McIntosh, managing director, has become chief executive and Mr. Andrew M. Smith, has been appointed a non-executive director.

Mr. J. D. McNamara has been appointed deputy managing director of IMPALA PLATINUM HOLDINGS. Mr. B. Landau and Mr. E. P. Plasket are elected directors. IMPALA PLATINUM has made the following appointments: Mr. E. C. Sovell, managing director, is appointed chief executive officer. Mr. J. D. McNamara is elected deputy managing director. Mr. E. P. Plasket is made director of research and development and

New chief for Burmah Oil Tankers

Mr. B. Landau becomes a director.

Mr. Russell Millar, development manager, has been appointed a director of WACAPAC. Mr. Pat Trainor, works manager, has been made a works director.

Mr. Michael E. Beard has joined the Board of G. T. MANAGEMENT (UK). He has also been appointed company secretary of G. T. Management.

Mr. N. J. Chamberlain has been appointed to the Board of HOGG ROBINSON AND GARDNER MOUNTAIN INTERNATIONAL, part of the Hogg Robinson Group.

GENERAL ELECTRIC COMPANY OF THE USA has combined its Europe and Africa/Middle East area divisions in a newly established Europe and Africa operations to be headquartered in London. Mr. Paolo Fresco, formerly head of the Africa/Middle East division, has been named vice president and general manager of the new organisation.

Mr. J. G. Quinton, a general manager of Barclays Bank and a director of Barclays Bank UK Management, has been appointed also a non-executive director of BARCLAYS MERCHANT BANK. Mr. L. S. Allan and Mr. G. N. Selbie, at present assistant directors of Barclays Merchant Bank, have been appointed executive directors of that company.

Mr. Harry E. Fitzgibbons has been elected a director of GLOBAL NATURAL RESOURCES PROPERTIES. Mr. Fitzgibbons is a director of Hamro Bank and has been a financial consultant to the company.

Mr. Derek Tisdeman has been appointed deputy managing director of A. E. EDMUNDS WALKER. Mr. John Webster has become operations director, Northern Britain, and Mr. Graham Johnson has moved to a similar position covering the South.

THE MERCANTILE AND GENERAL REINSURANCE COMPANY announces the retirement of Mr. J. Hamilton-Jones, deputy general manager and actuary, on December 31 because of ill-health. Mr. D. E. Richards, assistant general manager, will retire on the same date.

Mr. A. C. Armitage has been appointed managing director of POWELL DUFFRYN ENGINEERING, a subsidiary of Powell Duffryn, in succession to Mr. F. W. Stokes, who until his retirement on December 31 will be deputy chairman of the company. Until his retirement Mr. Stokes will remain chairman of Powell Duffryn's Dutch-based materials handling equipment subsidiary, Geesink BV.

THE ASSOCIATION OF METROPOLITAN AUTHORITIES has appointed Mr. Peter Westland as its first deputy secretary with special responsibility for social service matters from the beginning of next year.

Mr. Bill Balch has been appointed managing director of FABMEZ ENGINEERING, a member of the Bowey Group, while Mr. Tom Mears has been promoted to contracts director for DENTOOL, another Bowey company.

Mr. S. E. N. Pollock will be joining the BURMAH OIL GROUP later this year to take up the position of managing director. Burmah Oil Tankers. He will be based in London and will become a director of Burmah Oil Trading, the group's principal trading subsidiary, and a member of the Burmah Group management committee. He will report to Mr. S. J. Wilson, group managing director, and will carry overall responsibility for the group's shipping interests, including LNG activities and the Bahamas terminal. Mr. R. S. Haddock, director of The Burmah Oil Company responsible for shipping, is to retire from the board and the Burmah Group at the end of this year.

POINTIERWARE has made the following appointments: Mr. Frank E. Ficker, marketing director of Pointierware, UK, has been appointed managing director. Mr. David Hendler, formerly in factory administration, will take over international administration and factory allocation for worldwide markets, co-ordinating this from the UK. Recent changes in the U.S.A. have been that of Mr. Dennis Shore, previously managing director of Pointierware UK, who has now become president of the Pointierware Corporation of America, based in New Orleans. Mr. Dennis Shore, vice president of the Pointierware Corporation of America, will now head the marketing and sales division.

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Mr. J. Alan Hawtin, managing director of Insurance Company of North America (UK), has been appointed regional general manager, chairman and chief executive of INA UK HOLDINGS in succession to Mr. C. W. H. Ingle. Mr. Arthur W. Frost has been made managing director.

Mr. David Reeve has joined the board of KING AND HEWLER, based in Durechester, a subsidiary of R. H. Nameplates.

Mr. Fred K. Piker has become managing director of ORC (UK). He succeeds Mr. David Young, who has been appointed deputy managing director of the parent company, ORC (Europe) while remaining on the board of ORC (UK).

Mr. A. O. F. Cordell has retired from the board of BROWN SHIPLEY AND CO. after 33 years' service.

Mr. David Glover has been appointed managing director of OIL (ASIA) PTY—The Singapore-based sister company of Ocean Incheape, the London-based offshore oil service company.

Mr. C. A. L. Scott, Mr. R. I. Lancaster and Mr. A. W. Franking have joined the board of CELMAC PLASTIC, the purchase by the Rugby Portland Cement group.

Mr. Keith T. Pengetly has been appointed an executive director of DOWTY GROUP SERVICES responsible for management information services.

Mr. R. E. Lhoyd-Owen has been appointed an executive director of the ANGLIO-THAI CORPORATION.

Mr. Gooi Fook Lam, a Malaysian, has been appointed general manager of ARABIAN PACKAGING (PTE), a joint-venture company being formed in Dubai by the Sime Darby Group and the Dubai-based Al Ghurair organisation.

Mr. Lawrence M. Spalton has resigned from the Board of STERLING-WINTHROP GROUP for health reasons.

Mr. John W. Thompson has been appointed a non-executive director of the safety glass Europe Board of PILKINGTON BROTHERS.

Mr. John McCormack has been appointed managing director of J. and G. STEWART, THE DISTILLERY AGENCY and DONALD FISHER on the retirement of Mr. J. B. Munro. Mr. McCormack, formerly managing director of Peter Dawson, is being succeeded in that position by Mr. Alex Gibson.

The English Association of American Bond and Share Holders, Limited

1979 Results

Table with 3 columns: Year to 30 June 1979, Year to 30 June 1978, and percentage change. Rows include Share capital and reserves, Group profit before taxation, Earnings per share, and Net dividend per share.

The Company provides services for investors in American, Canadian, Australian and other Commonwealth countries' securities. The Investment Department manages private and corporate investment portfolios. The Company's subsidiary, The English Association Investment Trading Company Limited, is engaged in the short-term money market, while its subsidiary, The English Association in the Isle of Man Limited, carries on the business of a banking company in the Isle of Man.

Copies of the Annual Report and Accounts can be obtained from: The Secretary, The English Association of American Bond and Share Holders, Limited, 4 Fore Street, London EC2Y 5EH Telephone: 01-588 7081

LOCAL AUTHORITY BONDS. Every Saturday the Financial Times publishes a table giving details of LOCAL AUTHORITY BONDS on offer to the public. For advertisement details please ring B. Kelaart 01-248 8000, Extn. 266

SURVEYORS TO INDUSTRY a complete property service throughout the United Kingdom. Herring Son & Daw. Chartered Surveyors 26/28 Sackville Street London W1X 2QL 01-734 8155

Central American Bank for Economic Integration (CABEI) U.S. \$20,000,000 Floating Rate Serial Notes due 1994. For the six months 3rd October, 1979 to 3rd April, 1980. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 13 1/2 per cent. per annum, and that the interest payable on the relevant interest payment date, 3rd April, 1980 against Coupon No. 2 will be U.S. \$883.07. The Industrial Bank of Japan, Limited Agent Bank

TRING HALL SECURITIES LIMITED (Incorporated in England under the Companies Acts 1948 to 1967. Registered Number 1003834) SHARE CAPITAL. Authorised £ 2,000,000 Issued £ 2,048,000. 64 Cannon Street, London, EC4N 5AA

ESTATES AND GENERAL INVESTMENTS LIMITED. Announcement of Unaudited Group Results for the Half Year ended 30th June 1979. Table with 4 columns: Half year to 30th June 1979, Half year to 30th June 1978, Year to 31st Dec. 1978, and Year to 31st Dec. 1977. Rows include GROSS TURNOVER, GROUP PROFIT BEFORE TAXATION, GROUP PROFIT AFTER TAXATION, and DEDUCT PREFERENCE DIVIDEND.

INTERNATIONAL OENOLOGICAL AND BOTTLING EQUIPMENT EXHIBITION. SIMEX - FROM NOVEMBER 15TH TO 21ST 1979 IN MILAN (ITALY) MILAN TRADE FAIR PAVILIONS 13-14-15 ENTRANCE FROM PORTA CARLOMAGNO AND VIA GATTAMELATA. THE SIMEX INTERNATIONAL GENERAL EXHIBITION IS THE LARGEST SPECIALIZED SHOW ORGANIZED IN ITALY OF WINEMAKING AND BOTTLING MACHINERY AND EQUIPMENT, AS WELL AS EQUIPMENT FOR BOTTLING OTHER DRINKS AND LIQUORS.

This announcement appears as a matter of record only. Light-Serviços de Eletricidade S.A. São Paulo, Brazil U.S. \$200,000,000 Medium Term Financing. Guaranteed by The Federative Republic of Brazil. Managed by Chemical Bank International Group, Banco do Brasil S.A./European Brazilian Bank Limited—Eurobraz, Banco do Estado de São Paulo S.A., Banque Européenne de Crédit (BEC), The Fuji Bank, Limited, Amsterdam-Rotterdam Bank N.V., Hessische Landesbank—Girozentrale—, The Long-Term Credit Bank of Japan, Limited, Trade Development Bank Overseas/Republic National Bank of New York. Provided by Banco do Estado de São Paulo S.A., Banque Européenne de Crédit (BEC), Chemical Bank, The Fuji Bank, Limited, Banco do Brasil S.A. Grand Cayman Branch, European Brazilian Bank Limited—Eurobraz, Amsterdam-Rotterdam Bank N.V., Hessische Landesbank—Girozentrale—, The Long-Term Credit Bank of Japan, Limited. Agent: Chemical Bank International Limited August, 1979



CONTRACTS AND TENDERS

CORRECTED NOTICE

The following correction is to the announcement which appeared on Monday September 24th 1979

CEYLON SHIPPING CORPORATION

TENDER NOTICE FOR THE SUPPLY OF SHIPS

Reference notice calling for tenders for the supply of ships: it has now been decided that the last date for obtaining tender documents should be extended up to 1800 hours on 18th October 1979.

THE CHAIRMAN CEYLON SHIPPING CORPORATION

6 Sir Baron Jayatilaka Mawatha Colombo 1, Sri Lanka Telex Nos. 1165 and 1205 Cables: CEYLONSHIP\_CBO -Para B (Second Hand Vessels) (III and IV): The non-refundable deposit is Rs.500.00 or equivalent.

RESIDENTIAL PROPERTY

PALMER & PARKER (OVERSEAS) CHARTERED SURVEYORS Offer Quality Property SWITZERLAND

In association with Finadvia S.A. of Geneva, we offer a selection of high quality property in several locations including Montreux, Champéry, Crans-Montana and Sion.

75% mortgages, 4% per an. over 37 yrs. enable acquisition of first class property with security, growth and their pleasure.

SOUTH OF FRANCE In association with Lorraine Agence Ansbles. Studios from £15,000. Villas from £35,000. In Cannes—Grasse—Monte Carlo triangle.

COSTA DEL SOL Close association with several local agents enables us to offer widest range: Flats £70,000-£200,000. Villas from £25,000.

CHATEAU OF VILLIERS LE MAHIEU (Yvelines) 90 kilometres from PARIS, 30 kms from Versailles, 2 kms from Thoiry.

PRIVATE AUCTION ON 30 NOVEMBER 1979 CHAMBER OF NOTARIES OF PARIS 17th century chateau. Good condition. Vacant. 27 acres park. RESERVE PRICE: 3,000,000 FRENCH FRANCS

JERMYN STREET Serviced Luxury Apartment traditionally furnished. 1 double bedroom. Suit Company / Embassy. Phone: -839 6868

ANTIGUA, WEST INDIES. Island of beaches. For holiday beach cottages. BRINE VILLA VACATIONS P.O. Box 4001 St. John's, Antigua, Barbuda. Tel: 0214242

RESTAURANTS

Chateaubriand Restaurant. C'est magnifique! C'est le nouveau Chateaubriand. Let us tempt you to Luncheon from our triple tiered menu, starting at £6.50 for three interesting courses and coffee, tout compris! (vins de table at £3.45).

COURSES If you have not evaluated the costs of quality failure in your company, note that the bi-annual quality costs course is next week - a few vacancies available.

ART GALLERIES ANDREW WYLL GALLERY, 110, Regent Street, London W1. 18 Oct. 1979. 10.30-5.30. FINE ART SOCIETY, 149, Regent Street, London W1. 18 Oct. 1979. 10.30-5.30.

LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Extn. 266

COMPANY NOTICES

TDK ELECTRONICS CO. LTD. The undersigned announces that as from October 1, 1979, TDK Electronics Co. Ltd. has been re-registered in the United Kingdom as TDK Electronics (UK) Ltd.

TOKYO MITSUBISHI ELECTRIC COMPANY LTD. The undersigned announces that as from October 1, 1979, Tokyo Mitsubishi Electric Co. Ltd. has been re-registered in the United Kingdom as Tokyo Mitsubishi Electric (UK) Ltd.

INDUSTRIAL BANK OF FINLAND 9 1/2% 1975/1983 GUARANTEED BONDS UA 15,000,000. Bonds for the amount of UA 1,500,000 have been drawn on September 20, 1979.

THE SANKO STEAMSHIP CO. LTD. The undersigned announces that as from October 1, 1979, Sanko Steamship Co. Ltd. has been re-registered in the United Kingdom as Sanko Steamship (UK) Ltd.

JAMIE WALKER GOLDSMITH & SILVERSMITH LTD. NOTICE IS HEREBY GIVEN that the Transfer Book of the Ordinary and Non-Voting Ordinary Shares will be closed from 12th October to 29th October 1979.

LATE INVESTMENTS LIMITED NOTICE IS HEREBY GIVEN that the register of members and directors will be closed from 5 p.m. on 18 October 1979 to 5 p.m. on 25 October 1979.

LEGAL NOTICES Company No. 1062702 Registered in ENGLAND IN THE MATTER OF THE COMPANIES ACT, 1948 TO 1978 AND IN THE MATTER OF THE COMPANIES ACT, 1967 AND IN THE MATTER OF THE COMPANIES ACT, 1985

NOTICE IS HEREBY GIVEN pursuant to Section 283 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Goldthorpe House, 70/71, Gresham Street, London, EC2A 3DF, on 20th October 1979 at 11 a.m. for the purpose mentioned in Section 284 of the said Act.

PUBLIC NOTICES H.L. LAND REGISTRY Lost Certificate It is proposed to issue a new Certificate to replace the one described below which is stated to have been lost or destroyed. Any person claiming to be entitled to the certificate or to the land to which it relates should apply to the Registrar of Land at the Land Registry, Lincoln's Inn Fields, London WC2A 3PX.

Ray Manghan looks at the Bridon subsidiary that changed from a star performer into a burden on its parent

Salutary lessons of Ashlow debacle

BRIDON makes steel wire and wire rope but shareholders were forcibly reminded last month that it also supplies rod rolling mills through a subsidiary called Ashlow Steel and Engineering. Ashlow made a £3.5m loss in the first half of 1979, dragging the whole group into an interim deficit of £1.52m against a surplus of £7.59m.

analysis of the probability of securing orders needs fine management judgment. Ashlow's order book says Mr. Beswick, "was scanty to say the least," and the subsidiary suffered a high degree of "misplaced optimism." That optimism has been inspired by the completion of a successful £18m rod mill design and engineering contract in Korea at the end of last year and was sufficient to maintain a full workforce as the order book slumped.

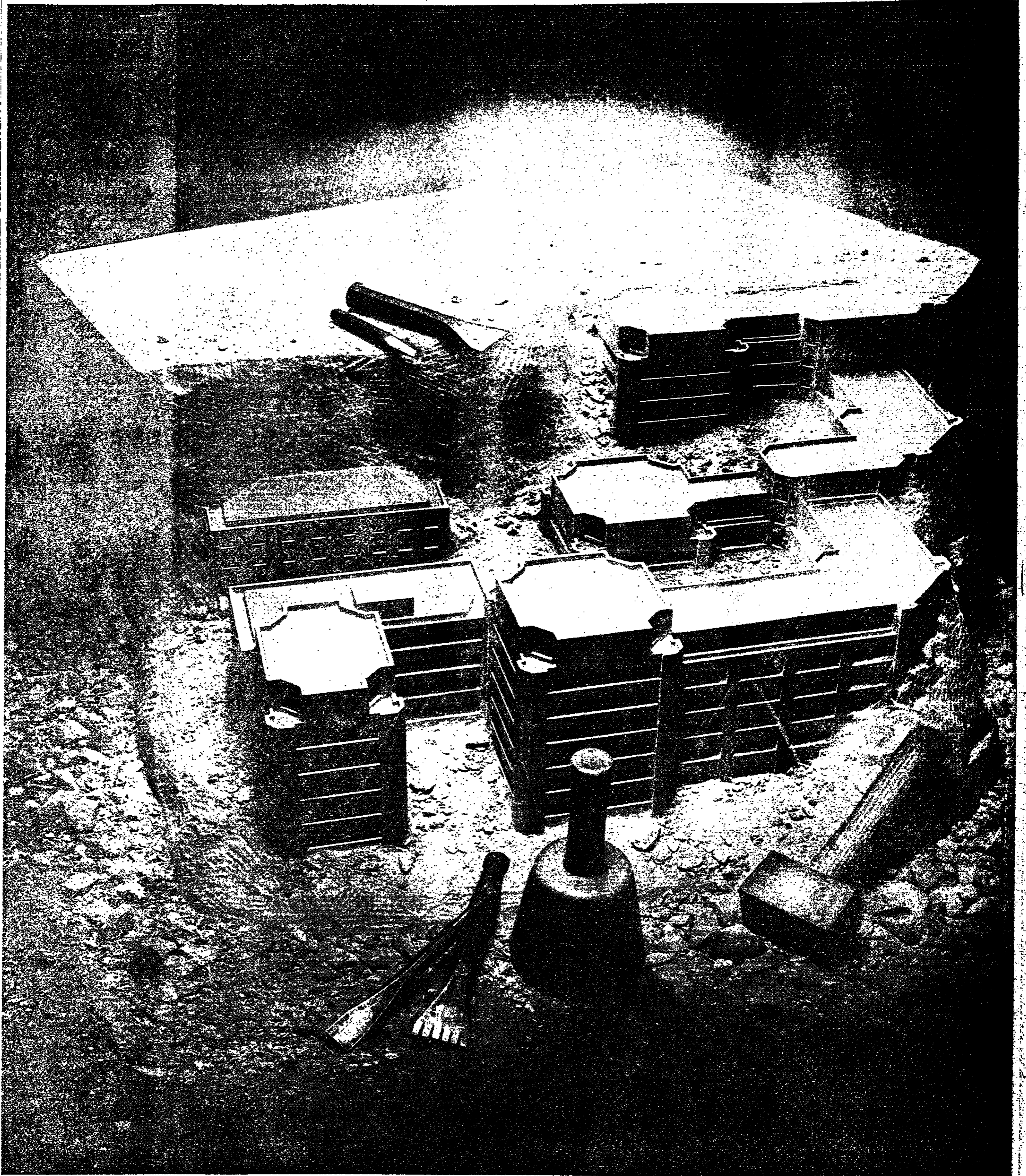
Rationalisation, or consolidation cannot solve the problem of depressed demand. Prices have been forced down on both sides of the Atlantic. Cordage and batter twine profits have been hurt by competitive import prices from East Africa, Portugal and Brazil and the transfer of polypropylene agricultural twine production from Sunderland was held up by the flood which put the Teams factory out of commission for three weeks earlier this year.

While further operational

Ebic: The combined experience of seven major international banks of Europe.

Logos of seven international banks: Amsterdam-Rotterdam Bank, Banca Commerciale Italiana, Credittasist-Bankverein, Deutsche Bank, Société Générale de Banque, and Société Générale.

Wherever you are and whatever your financial needs, the chances are we can help you. Our 7 independent banks can offer you a lot of financial weight and expertise. We have 10,000 branches, over 200,000 people and our balance sheets, when combined, are in excess of \$280 billion. And that's just in Europe. World-wide we also have an Ebic network: In America, European American Bank. In Asia, European Asian Bank, in Hong Kong, Indonesia, Korea, Malaysia, Pakistan, Singapore, Thailand and The Philippines. Also specialised financial services are provided by Banque Européenne de Crédit in Brussels and European Banking Company in London. In the UK Midland Bank is the Ebic shareholder you should talk to. Finance for business wherever there's business.



## MORE OFFICE, LESS BLOCK.

THE OFFICE 'BLOCK' has become the most functional, the most common – the inevitable type of new building seen in cities around the world.

Cutlers Gardens, a major new development in the City of London, represents a startling and refreshing departure from the norm.

A functional office, yes. Every essential to modern business has been integrated into the complex.

But a block, no. We are proud to be creating a working environment with all the care of a work of art.

It is our belief that Cutlers Gardens will soon become an admired, and above all, unique, addition to City life.

510,000 square feet of air-conditioned office space – with a multiplicity of letting options, starting from 30,000 square feet.

Computer-controlled services, residential accommodation, squash courts and gymnasium, restaurant, shops, car parking and storage facilities, set in two acres of landscaped gardens.

Maximum efficiency. Minimum conformity.

Cutlers Gardens – a development by The Standard Life Assurance Company and Greycoat Estates Limited.



FOR FURTHER DETAILS CONTACT GREYCOAT ESTATES LIMITED, CLARIDGE HOUSE, 32 DAVIES STREET, LONDON W1V 1LG. TELEPHONE: 01-499 5131.  
LETTING AGENTS: RICHARD MAIN & CO. • BAKER HARRIS SALNDERS. • TEACHER MARKS & CO.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Beech Aircraft agrees to \$600m Raytheon offer

BY STEWART FLEMING IN NEW YORK
RAYTHEON, a major U.S. contractor which manufactures missile systems, and electronic and computer equipment, has made a \$600m takeover bid for Beech Aircraft, the leader in the domestic turbo prop market.

Raytheon is entering the fastest growing fields of the general aviation (or light aircraft) markets. Beech is the biggest U.S. producer of turbo prop aircraft...

an analyst with Arnold and Bleicher, commented. He also suggested that Raytheon's strong management would be able to reinforce Beech which, he argued, needs an infusion of younger executives near the top.

W. German publisher pays \$50m for Arista

BY ROGER BOYES IN Bonn
ARISTA EURODISC, a subsidiary of the West German Bertelsmann publishing group, has bought Arista, the recording division of Columbia Pictures Industries, for about \$50m.

MEDIUM TERM FINANCE

Better terms for latest Asian loan

BY PHILIP BOWRING IN HONG KONG

IN SPITE of recent warnings from bankers that margins paid by Asian borrowers on syndicated Eurocurrency loans market were starting to widen again, the latest issue for a Korean borrower suggests rather the opposite.

BA Asia Limited, a subsidiary of Bank of America, is arranging a \$106m loan for 10 years for Namhae Chemical Company of South Korea.

capital markets, the International Investment Bank, the Moscow-based supranational bank for Comecon, is raising a Euroloan of more than \$100m on favourable terms, writes our Euromarkets Staff.

The Republic of Peru is raising \$48m through an eight-year loan at a margin of 1 1/2 per cent. The credit is being arranged by a club of banks headed by Deutsche Bank, die Financiere Luxembourgeoise.

Car insurance cut by Royal of Canada

By Robert Gibbins in Montreal
ROYAL INSURANCE Company of Canada, based in Toronto and the largest general insurer in the country, said yesterday that it is considering withdrawal from car insurance in British Columbia.

Itel takeover excludes insurance arrangements

BY DAVID LASCELLES IN NEW YORK
NATIONAL Semi-Conductor, which yesterday took over the computer business of Itel, the troubled leasing company, said that it had not assumed the insurance policies which Itel had arranged with various insurers, including Lloyd's of London, to protect itself against changes in the fast-moving electronics market.

Energy-saving breakthrough claimed by Borg-Warner

Financial Times Reporter
BORG-WARNER, the diversified industrial group, yesterday announced what is claimed to be an energy-saving breakthrough, based on the use of micro-computers, which will significantly reduce energy consumption in air conditioning and other applications.

Bank of Tokyo (Curacao) issue

BY FRANCIS GHILES

A \$50M floating rate note issue for Bank of Tokyo (Curacao) Holding NV was launched last night by S. G. Warburg. The borrower is paying a coupon of 1 per cent over the three month London interbank offered rate with a minimum interest rate of 5 1/2 per cent.

Total commissions on this new issue amount to 2 1/2 per cent. 11 per cent selling group commission, plus management and underwriting fees of 1 per cent each.

Trading in the Deutsche-Mark sector was quiet with prices edging up a fraction on the day. A DM 100m public offering for the African Development Bank will be launched today through S. G. Bank.

U.S. bank and Barclays in Yugoslav link

By John Evans

MANUFACTURERS Hanover Trust Company of the U.S. and Britain's Barclays Bank International are linking with eight Yugoslav banks to form a London-based venture bank.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table listing international bond issues with columns for Issued, Bid, Offer, Change on week, and Yield. Includes sub-sections for STRAIGHTS, OTHER STRAIGHTS, and FLOATING RATE.

Energy-saving breakthrough claimed by Borg-Warner

Financial Times Reporter
BORG-WARNER, the diversified industrial group, yesterday announced what is claimed to be an energy-saving breakthrough, based on the use of micro-computers, which will significantly reduce energy consumption in air conditioning and other applications.

Eurex bond trading system in operation

BY OUR EUROMARKETS STAFF

EUREX, THE computerised bond trading system, began operating on Monday, from its base in Luxembourg. According to Eurex, initial participants include 79 banks throughout Europe.

EUROPEAN banks—Deutsche Bank and Swiss Bank Corporation—had joined the management group of the last FRN issue for this borrower, arranged through S. G. Warburg in September, 1978.

Trading in the secondary straight dollar bond market yesterday was not only of a professional nature. Price falls of up to 1/2 per cent in prices yesterday morning triggered

US \$50,000,000 Wheelabrator-Frye Inc. Multi-Currency Credit Facility. Mellon Bank, N.A. Continental Bank. The Bank of Tokyo, Ltd. Banque Nationale de Paris. The Chase Manhattan Bank, N.A. Deutsche Bank AG. The First National Bank of Boston. Lloyds Bank International Ltd. Morgan Guaranty Trust Company. Swiss Bank Corporation. Toronto Dominion Bank. Wells Fargo Bank, N.A. Agent Bank Mellon Bank, N.A. September 1979.

Handwritten note: 500,000,000

# U.S. group lifts Marelli stake

BY RUPERT CORNWELL IN ROME

WESTINGHOUSE Electric Corporation of the U.S. is understood to be planning to raise significantly its stake in the capital of Ercole Marelli, the Italian electric engineering concern, in which it already holds 5.9 per cent.

No details of the discussions between the two groups have yet been made public. However, they have just signed a major co-operation deal which could lead to an important strengthening of Westinghouse's nuclear technology outlets in Europe.

Although Italy's long-delayed nuclear development programme remains bogged down in political, environmental, and administrative argument, it is envisaged that six scheduled power stations, in the regions of Molise, Piedmont and Lombardy, will be built under the Westinghouse licence.

Apart from Westinghouse, other shareholders in the L18.5bn capital of Marelli, which is Italy's second-largest producer of generators, include Fiat with 15 per cent and the

# Nigeria holds Smurfit in check

By Our Financial Staff

A MODEST increase in pre-tax profits is reported by Jefferson Smurfit, the Irish paper and packaging group, for the six months ended July 1979.

The company is maintaining its interim dividend at 2.5p a share, and the Board declares that "it will be disappointed" if the whole of the current year cannot show profits ahead of last year by a respectable margin.

Sales for the half-year are 12 per cent higher at Irish £14.1m and pre-tax profits emerge at Irish £8.6m compared to Irish £8.3m. In general trading results were satisfactory with Smurfit being held in check mainly by its Nigerian operations which dipped more heavily into the red.

The Board describes the Nigerian result as exceptionally poor, pointing to a swing of more than Irish £1m in the results when compared to the opening half of last year. A nosedive in the Nigerian economy coupled with import restrictions—which left the group critically short of raw materials—have resulted in plant closures and produced "unacceptable losses."

On a brighter note, the company is able to emphasise the strength of its balance sheet. Borrowings represented 9 per cent of shareholders' funds at the end of July, although the ratio is struck before the consolidation of Smurfit's majority shareholding in the U.S. group, Alton Box.

Assets per share are expressed as 113p. Net earnings per share for six months were 10.3p, compared to 10.5p.

# SCANDINAVIAN BANKS

## Norwegian merger approaches completion

BY FAY GJETER IN OSLO

THE MERGER of two of Norway's leading commercial banks, Christiania Bank og Kreditkasse and Andressens Bank, was approved on Monday by the representative councils of both banks.

The deal, which will create the third largest bank in Norway, will not be formally finalised until it has been approved by both banks' shareholders at special general meetings, but shareholder approval is regarded as virtually certain.

The new bank will be called Christiania Bank og Kreditkasse and its managing director will be Mr. Tor Moursund, Christiania's present managing director. Its share capital will be Nkr 465m (\$95.88m) and its total assets around Nkr 17bn.

The merger and exchange of shares will take effect early in

1980, after the two banks' 1979 accounts have been dealt with. Andressens' operating expenses will, however, be borne by the new merged bank from January.

The deal is to be ditched through a share swap. Andressens shareholders will receive 11 new B class shares in Christiania in exchange for 10 shares; Andressens' capital consists of 1.5m shares of Nkr 100 nominal each.

The new shares being issued by Christiania will be entitled to dividends in 1980, but for the moment will not have a stock market listing. Christiania's existing shares have a house price of Nkr 115.

Andressens has not paid a dividend for two years. Its results in 1978 are adversely affected by write-offs totalling Nkr 68m due to shipping engagements

and an involvement with the troubled Norinvest finance company.

SVENSKA HANDELSBANKEN (SHB) predicts that the recent discount rate from 6.5 to 8 per cent, as well as sharper competition for deposits, will help to bring about a slowdown in this year's rapid profit growth, writes Victor Rayfetz from Stockholm. This will result in 1979 operating earnings only "somewhat higher" than last year's SKr 833m (\$202m) on bank operations.

These operations showed a January-August profit of SKr 640m (\$153m), a 32 per cent improvement over the same period of 1978. The figure for January-April was SKr 302m and for May-August SKr 328m.

The rise in eight-month operating earnings was entirely due to a 26 per cent increase in net interest income to SKr 978m, while commission income declined by nearly 3 per cent to SKr 229m, and other revenue rose by 18 per cent to SKr 36m. Total revenues rose by 19 per cent to SKr 1,24bn, while costs were up nearly 9 per cent to SKr 612m.

The SHB group, which includes wholly-owned real estate, finance and credit companies and a Luxembourg banking subsidiary, recorded an eight-month operating profit of SKr 751m, or 29 per cent above the corresponding figure for 1978. The Norrbotten American Banking Corporation of New York, 75 per cent of whose shares have been sold to Norwegian, Finnish and Danish

banks, was not included in this year's consolidated accounts. SHB has acquired a 22.7 per cent interest in the Swedish credit card company Kjøpfort, which in turn has a majority stake in Eurocard of Sweden.

The bank said that the growth of deposits by households and local authorities is high and stable, but that deposits by companies have stagnated, due in part to a new scheme that gives a tax break to companies depositing liquid funds directly in the Bank of Sweden.

In early September, SHB introduced a new deposit system, replacing all current and savings accounts by one general account. This currently pays interest of up to 9.25 per cent. SHB said that the account has already been very well received.

## Dutch control for four Swiss based banks

BY JOHN WICKS IN ZURICH

FOUR foreign-owned banks in Switzerland have merged to form Allgemeine Bank Nederland (Switzerland), with headquarters in Zurich and branches in Geneva and Chasso. Capital of the bank will be of SwFr 32m (\$23.5m) and details of its balance sheet are due to be published in the next few days.

The merger brings together Allgemeine Bank Nederland in Der Schweiz; Allgemeine Bank Nederland (Geneve); Neue Bank AG; and De Neufutze, Schlumberger, Mallet SA. Apart from controlling the first two banks, the Dutch-based Allgemeine Bank Nederland was also a shareholder of Neue Bank, together with Scandinavian interests. The De Neufutze Bank in Geneva was an affiliate of the Paris-based bank of the same name.

In the newly-formed bank, Allgemeine Bank Nederland will hold a shareholding of 79.7 per cent. Other shareholders will be the former Neue Bank partici-

pants Privatbanken A/S (Copenhagen) and Andressens Bank A/S (Oslo), with 10 and 6.7 per cent respectively, and De Neufutze, Schlumberger, Mallet SA with the remaining 3.8 per cent.

Zurich-based discount retail group Denner AG has sold its chain of 18 groceries in Austria to Julius Meini AG, of Vienna. Denner's Austrian outlets last year booked turnover of some 250m schilling (\$19.14m) which contrasts with sales of SwFr 720m (\$441m) by the group's 152 shops in Switzerland. At the same time, Denner and Meini have agreed on co-operation in the field of international purchasing.

The Swiss group will continue to operate the 15 chemists and perfume shops of the Wallace chain in Austria which it acquired in June. Denner has indicated that with the concentration of its Austrian activities on this field it expects

to see an expansion of Wallace's business.

First phase investment by the German-Swiss joint venture group, Baloise, is to participate in the capital of a subsidiary of Atlantica-Boavista, Brazil's leading insurance concern. This follows what is said to have proved "valuable" co-operation with Atlantica-Boavista entered into by Baloise in 1977 in order to improve services to major European clients.

Working through a new joint-venture company, the Swiss company hopes to improve its performance in Brazil.

An unchanged gross dividend of SwFr 12 per share is to be distributed by Societe Financiere Hato-Suisse for the year ended June 30. The dividend, comprising a basic SwFr 10 plus a SwFr 2 bonus, follows an increase in net profits for the year to SwFr 6.53m from SwFr 6.16m.

administration and other ancillary structures read for use by the middle of next year.

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## Reduced loss from Belgian steelmaker

By Our Financial Staff

INCREASED output and sales have allowed the Belgian steelmaker, Clabecq, to reduce further its deficit on trading in the year ended June 30, 1979.

The company's net losses last year eased to BFr 310m (US\$11m) from the BFr 468m (US\$17.7m) in 1978. In 1978-79, Clabecq ran up a net loss of BFr 806m. The company has not paid a dividend for some three years.

Clabecq attributed the reduction in deficit to a sharp increase in output—24 per cent for steel and 14 per cent for sheet iron—and to a 28 per cent increase in turnover to BFr 8.8bn. The company also unveiled a five-year investment plan aimed at increasing capacity and developing high-quality sheet-iron products. The programme is to cost BFr 3bn.

One obstacle to Clabecq's recovery is the continuing weakness of the dollar. "If the American currency had stabilised for the full period at its July 1978 level, losses would have been lower by BFr 200m, the company stressed.

The interest rate on the four month Belgium Fonds des Rentees certificates has been increased to 13 from 12.50 per cent at the latest weekly auction. This brings the rate into line with those applying to one, two and three month Treasury paper, which were increased 0.50 points to 13 per cent last Friday.

## Costa plans public issue

GENOA—The Costa group, a diversified shipping company, is issuing shares for the first time and plans eventually to sell them to the public. The company, Giacomo Costa fu Andrea, is owned by members of the Costa family. However, after more than a year of preparation, the company is really to restructure itself as a holding company and plans to increase its capital from L25bn (\$3.1m) and allow its shares to be quoted.

Costa, which had turnover of L350bn in 1978, owns the "C Line" shipping company and has interests in textiles, edible oils and real estate.

AP-DJ

**U.S. \$20,000,000**

Floating Rate U.S. Dollar Negotiable  
Certificates of Deposit, due 3rd April, 1981

**THE SANWA BANK LIMITED**  
LONDON

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**Merrill Lynch International Bank Limited**  
Agent Bank

## French travel agency buys Swiss stake

PARIS — Havas Tourisme, a French travel agency, has acquired a 50 per cent interest in Louissrama, a Swiss tourism concern, which is capitalized at SwFr 1m, will be changed to Lido Louissrama and its headquarters will be moved to Lausanne.

Societe pour l'Equipelement des Vehicules (SEV), a unit of the Ferodo auto parts group, is setting up an electronics division to centralize its activities in the field. The division will design and manufacture electronic equipment for the automobile industry.

It will employ 300 workers and is expected to have sales of more than FFr 100m next year.

AP-DJ

## Turnover up on Swiss stock exchanges

By Our Zurich Correspondent

SWISS STOCK exchanges are reporting marked rises over 1978 levels in business this year. On the Zurich bourse, turnover for the January-August period reached a figure of SwFr 78.33bn (\$49.9bn), compared with SwFr 66.86bn (\$42.58bn) at the same time last year. At the same time, the number of bargains rose from 161,906 to 175,738.

At the Basle stock exchange, turnover was up to SwFr 17.5bn compared with only SwFr 13.6bn for the same eight months

## West German tyre maker expects to halve loss

BY DAVID MARSH

METZELER KAUSCHUK, the loss-making tyre and rubber products subsidiary of German chemicals giant Bayer, expects this year to roughly halve its 1978 deficit of DM 100m (\$57.54m). It hopes to reap the benefit of years of costly restructuring by returning to profit in 1981.

This relatively optimistic forecast was given in Munich by Herr Wolfgang Trautwein, the company chairman. He said the company was pursuing a "quiet, planned withdrawal" from its traditional tyre business, which would account for only 15 per cent of its activities next year against 41 per cent in 1977.

Bayer took over Metzeler in 1974 after a legal wrangle over

## West German tyre maker expects to halve loss

control of the group with Metzeler's former chief, Herr Willy Kaus. Since then, it has had to inject almost DM 400m into the company to cover losses caused by the general slump in the German tyre industry.

Herr Trautwein said restructuring the company had cost DM 100m. It planned investments of around DM 200m over the next five years.

Metzeler is now concentrating on production of technical rubber products for use in the car and leisure industries. Mainly as a result of running down its tyre business, it expects turnover this year to ease to about DM 450m from DM 505m in 1978, and to level off at around DM 430m to DM 440m next year.

## Schauman well ahead after eight months

By Lance Keyworth in Helsinki

THE FINNISH forest products company, Oy Wilh. Schauman, had greatly improved results for the first eight months of the year. The main divisions of the company, pulp and paper and mechanical wood working products, worked at practically full capacity and improved their profitability, although not by enough to permit the full allowable depreciations.

Net sales of the parent company rose by 40 per cent to FM 737m (\$199m), while for the whole Schauman group including foreign subsidiaries the increase was 34 per cent to FM 870m. Turnover in the pulp and paper division increased by 63 per cent to FM 306m, due to both the volume increase in exports and higher prices.

Schauman continued to reduce its heavy debt burden by converting short-term to long-term credits and arranging longer maturities and lower interest rates for some of its foreign loans.

The interim report predicts a still better results for the whole of 1979, but makes no dividend forecast. However, slower growth is foreseen next year.

## SKr 150m bond for Swedish export credit

STOCKHOLM — Svensk Exportkredit, the Swedish export credit corporation, is raising a domestic bond at par of SKr 150m, adjustable 101 per cent over nine years, Skandinaviska Enskilda Banken, which is managing the loan, said.

The Stockholm County Council is raising a SKr 50m adjustable 101 per cent 15-year domestic bond at par, which is also being managed by Skandinaviska Enskilda Banken.

The volume of transactions on the Paris bourse over the first nine months of this year totalled FFr 67.538bn m increase of 16.6 per cent Agencies

New Issue September 1979 All these bonds having been sold, this announcement appears as a matter of record only.

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AGENT

SEPTEMBER 16, 1979

**Dollfus moves back into the black**

BY OUR FINANCIAL STAFF

THE FRENCH textile group, Dollfus Mieg has moved out of the red for the first half of 1979. Net profits for the six months are FFr37.4m (\$0.14m) which compares with a loss of FFr 8.3m during the opening half last year. The deficit for the parent company was FFr 3.6m, against FFr 0.4m.

However, Dollfus points out that its parent company results for the six months can be misleading in view of the irregularity of dividend receipts from subsidiaries.

**Thorn Electrical Industries Limited**

has acquired through merger

**Systron-Donner Corporation**

We acted as financial advisor to  
Thorn Electrical Industries Limited in this transaction.

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**Goldman Sachs**

October 2, 1979



SA group buys BOC electronics offshoot

By Jim Jones in Johannesburg. A CONSORTIUM headed by African Finance Corporation (AFC)...

AfroX, which is a 60 per cent-owned subsidiary of BOC International, earlier this year sold its 50 per cent stake in Silicon Smelters...

With the group in a cash-rich position, Johannesburg analysts feel that it is only a matter of time before AfroX announces acquisitions in industrial gas-related fields...

AFC's major non-portfolio interests are its controlling stake in Premier Paper and mineral and property rights through New Kleinfontein.

Electronics is one of South Africa's fastest growing industries, with recent trends away from foreign control towards new groupings under local ownership.

CAPITAL MARKETS

Australia makes a return to Tokyo

BY RICHARD C. HANSON IN TOKYO

AUSTRALIA is planning a substantial yen syndicated loan and public bond issue in Japan...

The Australian Government is negotiating with banks and securities houses on a total of Y70bn (\$310m) in borrowing, divided into a Y40bn syndicated loan and a Y30bn bond.

Last year Australia borrowed Y130bn in bonds and loans in Japan. The overall level of yen syndicated lending during the second half of this year, however, is expected to be only one-third of the first half total of Y336.7bn.

Government imposed restrictions aimed at curbing inflation. While the first half total was only Y10bn less than that for the whole of 1978...

slip to about Y200bn. The monetary authorities since last spring have been reducing the amount of yen lending to be allowed by commercial banks...

The result has been to squeeze the amount of funds that the big Japanese City banks have available for Japanese customers...

The world bank is expected to raise a large amount of yen funds, but indications are that it will choose syndicated loans and private placements rather than public bonds.

In the so-called Samurai bond market, the securities houses are continuing their policy of limiting foreign issues to Y50bn

per month (with a Y30bn ceiling on individual borrowers), decided on at a time when the market was in chaos.

Meanwhile, terms are being worked out on a Y10bn loan to Qantas, the Australian airline.

The money will finance the purchase of two Boeing 747 jets, one a passenger/cargo version, due for delivery next month.

none will take a management role. The Finance Ministry says it has no objections to foreign banks participating in the loan.

Three other Japanese steel companies, Kawasaki Steel Corporation, Sumitomo Metal Industries and Kobe Steel plan small increases in their capital outlays in 1980-81.

The International Trade and Industry Ministry said that the capital outlay of most Japanese steel companies in 1980-81 would be confined to rationalisation projects.

Restricted steel plant spending in Japan

TOKYO—Nippon Kokan Kaisha (NKK) plans to curtail its capital outlay for plant and equipment in fiscal 1980 starting next April to Y48.80bn (\$220m) from an estimated Y185.50bn this year.

This followed the completion of its Ogishima steel works to replace the outdated Keihin steel factory, the company said.

The International Trade and Industry Ministry said that the capital outlay of most Japanese steel companies in 1980-81 would be confined to rationalisation projects.

Increase in corporate bond issues

TOKYO—Eleven corporate bonds worth a total of Y127bn (\$564m) are to be floated on the Japanese capital market in October, according to the Underwriters' Association.

They comprise six electric power industrial bonds worth Y88bn and five general industrial bonds worth Y41bn.

The company is also considering a scrip issue or dividend increase at the year-end.

Own brand merchandise lifts Jusco sales.

BY YOKO SHIBATA IN TOKYO

JUSCO, JAPAN'S fourth largest supermarket chain store, lifted net profits by 16.5 per cent to Y3.17bn (\$14.06m) for the half-year to August 1979, on sales ahead by 11.3 per cent to Y223.5bn (\$1bn).

Operating profits rose by 12.6 per cent to Y5.09bn, and the ratio of profits to total sales improved by 0.3 per cent to 16.2 per cent.

Jusco's own brand merchandise, launched in commemoration of the store's 10th

anniversary (and selling 30-30 per cent cheaper than other retail prices) fared well, and is expected at least to double earlier sales targets for the year.

During the period Jusco raised its capital by issuing 8m new shares by public offering and issued Y7bn of unsecured convertible debentures.

Jusco's sales for the year are expected to reach a record Y506bn, up 13.5 per cent; operating profits Y12.5bn, up 15.7 per cent; and net profits Y7.2bn, up 15 per cent.

At the same time another leading Japanese chain store, Nagasakiya, has announced an increase in sales of only 3.5 per cent to Y112.15bn (\$498m) after sluggish sales of women's clothing due to the cool summer.

The company, however, has begun to concentrate on higher grade merchandise instead of bargain priced articles, and the profit ratio advanced from 26.85 per cent to 27.9 per cent.

Operating profits rose by 2.7 per cent to Y2.84bn and net profits advanced by 27.5 per cent to Y1.79bn.

Associated Japanese Bank (International) Limited



Extract from Audited Accounts

Table with financial data for 28th Feb. 1979 and 28th Feb. 1978, including Share Capital, Retained Profit, Subordinated Loans, Deposits, Loans, Total Assets, Profit before Taxation, and Profit after Taxation.

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This announcement appears as a matter of record only.

\$25,000,000

Mack Trucks, Inc.

Floating Rate Senior Notes due 1984

We have arranged the private placement of these securities.

WARBURG PARIBAS BECKER INCORPORATED

A.G. BECKER INCORPORATED

October 1979

Why you should consult the bank that placed 3100 dots on the map of Holland.

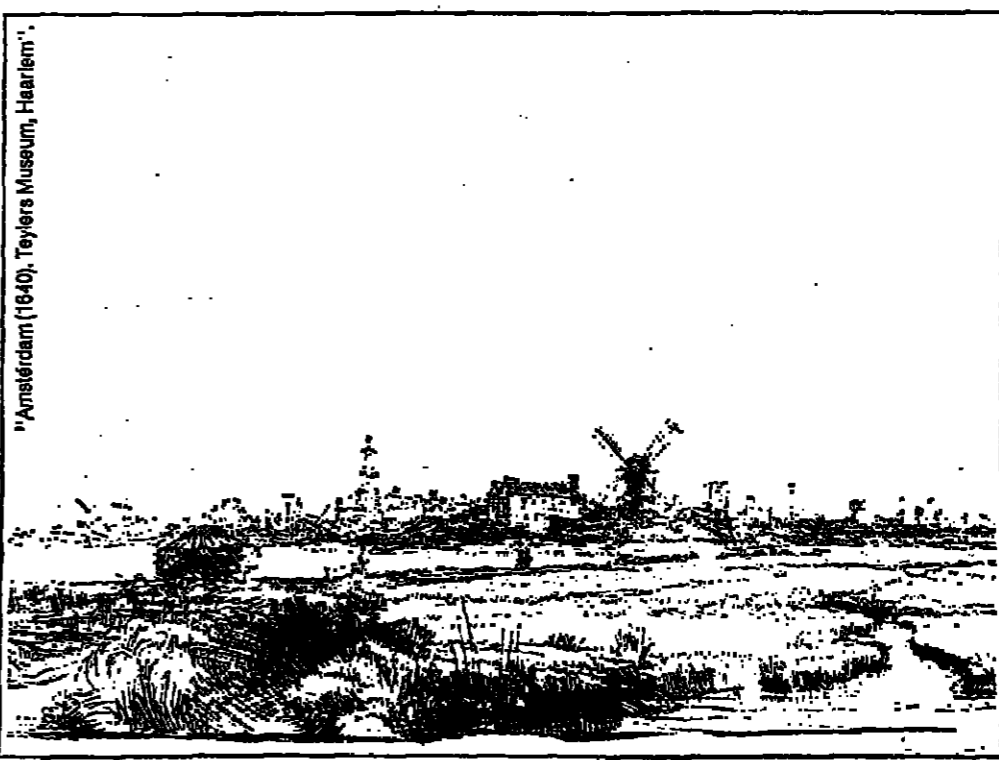
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For more information: Centrale Rabobank, International Division, Catharijnesingel 20, P.O. Box 8098, Utrecht, The Netherlands. Telephone 030-36 26 11. Telex 40200.

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Modest Wall St. rally in active early trade

INVESTMENT DOLLAR PREMIUM Effective \$2.1910 15% (361%) AFTER SHEDDING a little more ground at the opening. Wall Street picked up in active dealings to register a modest net improvement at mid-session. The Dow Jones Industrial Average, following a reaction of some 14 points over the past two...

Closing prices and market reports were not available for this edition. business days on worries about inflation and the Cuba situation, regained 4.35 at \$77.30 at 1 pm. The NYSE All Common Index recouped 18 cents at \$82.02, while rises led falls in the ratio of eight to five. Turnover sharply increased to 24.63m shares from Monday's light 1 pm total of 17.65m.

Table with columns: Stock, Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like Abbotts Lab, AM International, etc.

Canada Stocks were predominantly active yesterday morning. The Toronto Composite Index moved ahead 8.0 to 1,761.5 at mid-day, while the Oils and Gas Index advanced 33.6 to 3,384.5. Golds 21.8 to 2,341.4 and Metals and Minerals 11.8 to 1,629.0. In Montreal, Utilities rose 1.95 to 249.49 and Banks 0.26 to 314.15.

Tokyo The market continued to retreat from its recent record high level, reflecting increased profit-taking, worries over a Government move to increase corporate taxes and news that Indonesia's National Oil Company (Pertamina) has informed Japanese clients that it wishes to raise spot prices for crude oil by \$11 to \$13 a barrel, beginning in October.

Table with columns: Stock, Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like Revlon, Reynolds Metals, etc.

Australia Gold stocks and Base Metal Producers were the best performers in generally firm markets yesterday. Responding to sharp overnight price gains for metals in London and New York, The Sydney All Ordinaries index moved ahead 4.52 to a new all-time high of 622.55, while the Metals and Minerals sub-group index rose 42.68 to 3,958.37.

Germany Share prices remained in easier mood in very low turnover, with investors uncertain and holding off the light of the weak dollar and sharply higher gold prices. The Commerzbank index...

Table with columns: Price, + or - Div. Yield. Lists various stocks like AEG, Allianz, BMW, etc.

Indices

Table with columns: Index, 1979, Since Comp. Lists indices like Industrial, Home Bnds, Transport, Utilities, Trading Vol.

Table with columns: Ind. div. yield %, Sept 28, Sept 21, Sept 14, Year ago (approx). Lists yields for various indices.

Table with columns: Ind. div. yield %, Sept 28, Sept 19, Sept 12, Year ago (approx). Lists yields for various indices.

Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like Australia, Belgium, Denmark, etc.

Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like A.S.A., Asamora Oil, Asarco, etc.

Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like Bank of Montreal, Bank of Toronto, etc.

Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like Becton Dickinson, Bell & Howell, etc.

Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like B.F. Goodrich, B.F. Goodrich, etc.

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Table with columns: Oct 1, Sept 28, Oct 1, Sept 28. Lists various stocks like B.F. Goodrich, B.F. Goodrich, etc.

EUROPEAN OPTIONS EXCHANGE Table with columns: Series, Vol., Oct, Last, Vol., Jan, Last, Vol., April, Last, Stock. Lists various options series.

BASE LENDING RATES Table with columns: Bank, Rate. Lists various banks and their lending rates.

Table with columns: Price, + or - Div. Yield. Lists various stocks like AEG, Allianz, BMW, etc.

Table with columns: Price, + or - Div. Yield. Lists various stocks like AEG, Allianz, BMW, etc.

Companies and Markets

COMMODITIES AND AGRICULTURE

U.S. feed record forecast

WASHINGTON — The U.S. Department of Agriculture announced that exports of feed grain...

Prices at that level would bring the release of large amounts of corn from farmer-owned reserves.

Foreign demand for grain could exceed foreign supplies by about 100m to 110m tonnes by 1982-83...

Japanese rice crop lower

TOKYO — Japan will have a rice harvest of about 12m tonnes in the rice year ending this month...

The slight decline follows a cut in planted rice acreage under the Government's plan to reduce production.

Cocoa purchases

ACCRA — The Ghana Cocoa Marketing Board purchased 651 tonnes in the tenth week of the 1979 mid-crop season...

Commodity markets hit by gold fluctuations

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL AND commodity markets were thrown into turmoil yesterday as the prices of gold, silver and copper fluctuated wildly in the afternoon...

However many of the gains were wiped out later as the markets came under heavy selling pressure...

The most spectacular performance was in the copper market, where, in chaotic trading conditions, prices moved violently...

Milk powder surplus shrinks

BY CHRISTOPHER PARKES

THE Common Market's "mountain" of skimmed milk powder recently more than 1bn tonnes...

Although apparently high at about 400,000 tonnes, the stocks in official intervention stores are now well below the 500,000 tonnes regarded by the EEC...

At this time last year stocks were more than 900,000 tonnes. Almost all the present "mountain" is held in West Germany...

for aluminium on the Metal Exchange, however, was forced up by a further tightening in nearby supplies...

Hong Kong soya futures

HONG KONG — The Government is expected shortly to give the Hong Kong commodity exchange formal approval to start trading soyabean futures contracts...

Dutch seek backing in pork row

By Margaret Van Hatten in Brussels

THE NETHERLANDS has asked the EEC Commission for support in a growing row with Germany over the closure of its border...

The Dutch have asked the Commission to institute legal proceedings which could end in Germany's being taken to the European Court of Justice.

Since the Dutch annually export around 160,000 tonnes of pig carcasses to Germany...

Price of farm land slips

By Our Commodities Staff

THE PRICE of farm land in England slipped marginally in the three months to the end of August...

The land price index prepared by the Ministry's advisory service and the Agricultural Mortgage Corporation now stands at 222 (100: 1973).

The index indicates that there has been a slower rate of increase in the price of agricultural land since 1979 than that experienced throughout 1978...

Grain stocks cover £2bn crop losses

BY K. K. SHARMA IN NEW DELHI

THE LOSS of foodgrain in the countrywide drought in India is estimated at a massive Rs 35bn (about £2bn)...

Because of erratic monsoon rains this year, which have virtually failed in the affected states, summer grain crops have withered in the fields...

The states are therefore planning food-for-work programmes under which payment will be made in grain to farm workers engaged in irrigation and similar projects...

U.S. plan to expand calcined bauxite stocks

BY OUR OWN CORRESPONDENT

GEORGETOWN — The U.S. is considering a substantial expansion of its strategic stockpile of calcined bauxite.

Mr. Patterson Thompson, chairman of the Bauxite Industry Development Company (Bideo), which handles the Guyana Mining Enterprise (Guymine) international marketing...

The index indicates that there has been a slower rate of increase in the price of agricultural land since 1979 than that experienced throughout 1978...

Rs 5.8bn: Orissa. Rs 2.4bn: West Bengal. Rs 1.9bn: Maharashtra. Rs 1.25bn: Himachal. Rs 350m: Nagaland. Rs 60m: Many states have not yet prepared damage estimates.

The losses have also affected the paddy, maize, millet, pulses and potato crops. Vegetables have been lost in many states...

Relief operations are being undertaken by many states. Punjab, Haryana and Uttar Pradesh have cut power supply to industries and urban areas...

Thai Kenaf output falls

BANGKOK — Thai Kenaf production in the season ending this month is expected to drop to 350,000 tonnes from 320,000 tonnes the previous season...

The area under kenaf plantation this year was reduced to 1.6m acres from 2m the previous season...

Current kenaf stocks held by factories and exporters were estimated at 325,000 tonnes, giving a total of 395,000 tonnes available next year.

The board estimated Thailand would export between 40,000 to 70,000 tonnes of kenaf next year, leaving a carry-over of 25,000 to 35,000 tonnes for the following season.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal types (Copper, Zinc, Tin, Lead) and their prices in various units.

COFFEE

Table showing coffee prices for different grades and origins.

WHEAT

Table showing wheat prices for various types and origins.

GRAINS

Table showing prices for various grain commodities.

NICKEL

Table showing nickel prices in different forms.

SILVER

Table showing silver prices and market activity.

COCOA

Table showing cocoa prices for various grades.

COFFEE

Table showing coffee prices for different grades.

WHEAT

Table showing wheat prices for various types.

GRAINS

Table showing prices for various grain commodities.

NICKEL

Table showing nickel prices in different forms.

SILVER

Table showing silver prices and market activity.

PRICE CHANGES

Table listing price changes for various commodities.

RUBBER

Table showing rubber prices for different grades.

SOYABEAN MEAL

Table showing soyabean meal prices.

SUGAR

Table showing sugar prices for various types.

WOOL FUTURES

Table showing wool futures prices.

MEAT/VEGETABLES

Table showing prices for meat and vegetable commodities.

AMERICAN MARKETS

Table showing market activity and prices in America.

EUROPEAN MARKETS

Table showing market activity and prices in Europe.

INDICES

Table showing various market indices.

DOW JONES

Table showing Dow Jones index performance.

MOODY'S

Table showing Moody's index performance.

REUTERS

Table showing Reuters index performance.

Advertisement for HUGO J. GELARDIN, Chairman of the Board, with contact information and company details.

Advertisement for JESUP & LAMONT SECURITIES CO., INC., established 1877, with contact information.

Advertisement for wool and meat/vegetables, providing detailed pricing and market information.

Advertisement for various commodities and indices, including Dow Jones and Reuters.

Companies and Markets

LONDON STOCK EXCHANGE

Gold's blaze away again but close well below day's best Equities turn firmer but Gilts ease in sympathy with £

ACCOUNT DEALING DATES

\*First Declara. Last Account Dealings Dealing Day Sep. 24 Sep. 20 Sep. 21 Oct. 1 Sep. 24 Oct. 4 Oct. 5 Oct. 15 Oct. 18 Oct. 19 Oct. 23 Oct. 8 Oct. 18 Oct. 19 Oct. 23

The falls, extending to 1 at the official close, were more a reflection of sterling than of genuine selling, however, and prices were tending to pick up in the late trade.

Leading industrials turned quietly firm after Monday's fairly general small losses. Business agents left much to be desired, though, with the bargains total at 17,852 and the more speculative issues were again claiming most attention.

A rise of 3.5 in the 3 p.m. 30-share index was followed to one of 2.3 at the close of 488.1.

Continued high level of activity in the South African Gold share market provided the investment currency market with another good two-way institutional trade, mostly for the American market.

Activity in Traded options was again helped by the brisk turnover in the gold share market, a total of 532 trades being recorded of which Cons. Gold Fields contributed 151.

South African Gold shares also closed sharply below the day's best, but retained widespread gains which put a further 4.5 on the Gold Mines index to 260.0; this represents a leap of over 77 per cent in a little over eight weeks.

Buyers were showing little disposition to enter the market for British Funds ahead of next week's banking figures and quotations turned decidedly dull.

Discounts better. Discounts moved higher. Alexanders put on 8 to 231p and

Allen Harvey and Ross, 352p, and Union, 363p, rose 5 apiece. Quietly dull conditions prevailed in the major earners. Midland dipped 5 to 368p and NatWest cheapened 2 to 380p, but Bank of Scotland contrasted with a rise of 5 to 280p.

Although business remained high, Breweries recovered Monday's small falls. Distillers also turned firmer, rising 4 to 233p on hopes of a speedy end to the group's wage dispute.

Engineers passed an extremely quiet trading session. Leading issues were inclined harder with Hawker and Tubes both closing a few pence better at 178p and 306p respectively.

LONDON TRADED OPTIONS

Table with columns: Option, Exch. price, Closing price, Vol., Closing offer, Vol., Closing bid, Vol., Equity close. Includes rows for BP, Com. Union, Cons. Gold, etc.

Harris Queensway jump

A firm market ahead of the interim results, Harris Queensway improved further to close 19 up at a 1979 peak of 325p following the sharp increase in first-half profits, the proposed 100 per cent scrip-issue and the property revaluation details.

I.C. gas up

Investment interest in the miscellaneous industrial leaders was at a low ebb and the closing time was a narrow mixed.

BP advance afresh

Oil shares closed on a firm note after a volatile trading session. British Petroleum continued to push ahead and, with the aid of strong U.S. support, closed 35 up at a high for the year of 1330p; dealings are due to start early the share split next Monday.

Gold's volatile

When the dust finally settled in the Gold share market, prices were left showing good gains on balance after a day of wild movements either way.

FINANCIAL TIMES STOCK INDICES. Table with columns: Index Name, Oct. 3, Oct. 2, Sept. 29, Sept. 28, Sept. 27, Sept. 26, 1 Year ago.

HIGHS AND LOWS. Table with columns: Stock, High, Low, High, Low. Includes rows for Govt. Secs., Fixed Int., Ind. Ord., Gold Mines, etc.

ACTIVE STOCKS. Table with columns: Stock, Denomina., Closing price, Change on day, 1979 high, 1979 low.

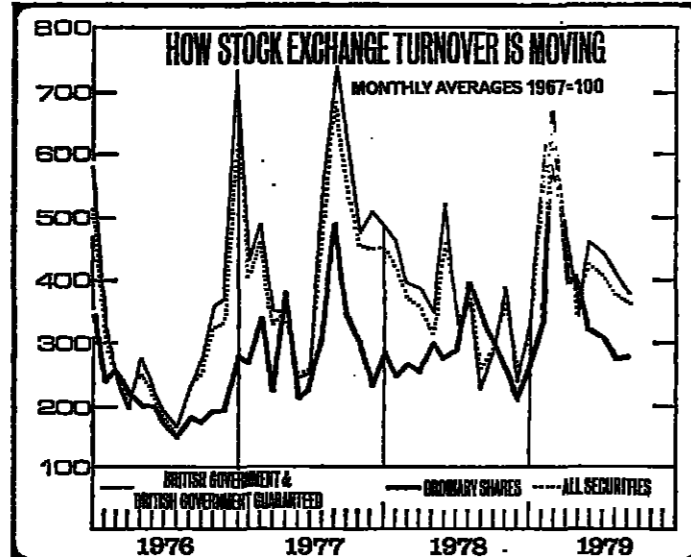
Oil survey

Australian Golds were equally active. Gold Mines of Kalgoorlie touched 165p before closing 7 firmer at 160p, while North Kalgoorlie managed to hold an initial rise to close 6 better at 41p.

STOCK EXCHANGE BUSINESS LAST MONTH

Turnover lowest since January

Reflecting the uncertain industrial and economic background, business in all securities contracted for the third consecutive month, falling from August's £12.2bn to £11.9bn. This is the lowest since last January, when similar influences dampened enthusiasm.



At £1.55bn, but the number of bargains fell by 2,115 to 261,125, to put the average value per bargain £78 higher at £5,953. The FT Turnover index for ordinary shares improved to 277.4 from 275.9 in August. Last year's monthly average was 258.7.

Table with columns: Category, Value of all purchases & sales £m, Total %, Number of bargains, Total %, Average value per bargain £, Average number of bargains per day, Average number of bargains per day.

NEW HIGHS AND LOWS FOR 1979

Table listing new highs and lows for 1979 across various sectors like Building, Electrical & Industrial, Leisure, etc.

RISES AND FALLS

Table showing rises and falls for various stock groups like British Funds, Foreign Bonds, Industrial and Prop., etc.

OPTIONS

Table with columns: Issue, Price, 1979 High, 1979 Low, Stock, etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, 1979 High, 1979 Low, Stock, etc.

"RIGHTS" OFFERS

Table with columns: Issue, Price, 1979 High, 1979 Low, Stock, etc.

FT-ACTUARIES SHARE INDICES

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Tues. Oct. 2, 1979, Mon. Oct. 1, Fri. Sept. 28, Thurs. Sept. 27, Wed. Sept. 26, Index No., etc.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (2), Abbey Unit Tr. Mgrs. (3), etc., with columns for name, manager, and other details.

INSURANCE & PROPERTY FUNDS

Table listing insurance and property funds such as Abbey Life Assurance Co. Ltd., Crown Life Assurance, etc., with columns for name, manager, and other details.

OFFSHORE & SEAS FUNDS

Table listing offshore and seas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt., etc., with columns for name, manager, and other details.

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NOTES: Prices do not include 5% premium charge when indicated, and are to be paid unless otherwise indicated.



INDUSTRIALS—Continued

Table of industrial stocks including Shell, BP, ICI, and various other companies with their respective prices and market data.

INSURANCE—Continued

Table of insurance companies such as London Life, Prudential, and others, listing their stock prices and financial metrics.

PROPERTY—Continued

Table of property-related stocks and trusts, including various real estate investment vehicles.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds, detailing their performance and asset management.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks and financial institutions.

DAIWA SECURITIES advertisement featuring the company logo and contact information.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks, listing companies like BHP, Anglo, and others.

TINS

Table of tin-related stocks and commodities.

MISCELLANEOUS

Table of miscellaneous stocks and commodities, including various international securities.

NOTES

Textual information regarding notes, interest rates, and market conditions.

REGIONAL MARKETS

Table of regional market data, including prices for various international securities.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various stocks and commodities.

LEISURE

Table of leisure-related stocks, including entertainment and recreation companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including automotive and aviation companies.

Commercial Vehicles

Table of commercial vehicle stocks, including manufacturers of trucks and vans.

Components

Table of component stocks, including parts and accessories for various industries.

Garages and Distributors

Table of garage and distributor stocks, including retail and service companies.

PROPERTY

Table of property-related stocks, including real estate and land development.

SHIPPING

Table of shipping stocks, including maritime and logistics companies.

SHOES AND LEATHER

Table of shoes and leather stocks, including footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks, including local and international companies.

TEXTILES

Table of textile stocks, including clothing and fabric manufacturers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks, including media and publishing companies.

PAPER, PRINTING

Table of paper and printing stocks, including paper mills and printers.

TOBACCO

Table of tobacco stocks, including tobacco companies and related products.

OVERSEAS TRADERS

Table of overseas trader stocks, including international trade companies.

RUBBERS AND SISALS

Table of rubber and sisal stocks, including commodity and agricultural products.

TEAS

Table of tea stocks, including tea plantations and processors.

India and Bangladesh

Table of stocks from India and Bangladesh, including local and international companies.

Sri Lanka

Table of Sri Lankan stocks, including local companies and financial institutions.

Africa

Table of African stocks, including companies from various African countries.

MINES

Table of mining stocks, including various international mining companies.

CENTRAL RAND

Table of Central Rand stocks, including regional mining and industrial companies.

EASTERN RAND

Table of Eastern Rand stocks, including regional mining and industrial companies.

FAR WEST RAND

Table of Far West Rand stocks, including regional mining and industrial companies.

O.F.S.

Table of O.F.S. stocks, including various international securities.

FINANCE

Table of finance stocks, including banks and financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including precious metal companies.

CENTRAL AFRICAN

Table of Central African stocks, including regional mining and industrial companies.

FINANCE

Table of finance stocks, including various international securities.

